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*Bureau for International Narcotics and Law
Enforcement Affairs*

International Narcotics Control Strategy Report

Volume I
Drug and Chemical
Control

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Common Abbreviations

ARS	Alternative Remittance System
ATS	Amphetamine-Type Stimulants
CARICC	Central Asia Regional Information Coordination Center
CBP	Customs and Border Protection
CBRN	Caribbean Basin Radar Network
CFATF	Caribbean Financial Action Task Force
DARE	Drug Abuse Resistance Education
DEA	Drug Enforcement Administration
DHS	Department of Homeland Security
DOJ	Department of Justice
DOS	Department of State
DTO	Drug Trafficking Organization
ESF	Economic Support Fund
EU	European Union
EXBS	The Export Control and Related Border Security Assistance (EXBS) Program
FATF	Financial Action Task Force
FBI	Federal Bureau of Investigation
FinCEN	Financial Crimes Enforcement Network
FIU	Financial Intelligence Unit
FSA	FREEDOM Support Act
GCC	Gulf Cooperation Council
IBC	International Business Company
ICE	Immigration and Customs Enforcement
ICITAP	International Criminal Investigative Training Assistance Program
ILEA	International Law Enforcement Academy
IMF	International Monetary Fund
INCSR	International Narcotics Control Strategy Report

INM	See INL
INL	Bureau for International Narcotics Control and Law Enforcement Affairs/(Matters)
IRS	Internal Revenue Service
IRS-CID	Internal Revenue Service, Criminal Investigation Division
JICC	Joint Information Coordination Center
JIATF-S/-W	Joint Interagency Task Force South and Joint Interagency Task Force West
MAOC-N	Maritime Analysis and Operations Centre-Narcotics
MLAT	Mutual Legal Assistance Treaty
MOU	Memorandum of Understanding
NBRF	Northern Border Response Force
NNICC	National Narcotics Intelligence Consumers Committee
OAS	Organization of American States
OAS/CICAD	Inter-American Drug Abuse Control Commission
OFC	Offshore Financial Center
OPBAT	Operation Bahamas, Turks and Caicos
OPDAT	Office of Overseas Prosecutorial Development Assistance and Training
SECI	South East Europe Cooperative Initiative
SEED	Support for East European Democracy Act (1994)
UN Convention	1988 United Nations Convention Against Illicit Traffic in Narcotic Drugs and Psychotropic Substances
UNODC	United Nations Office for Drug Control and Crime
USAID	Agency for International Development
USCG	United States Coast Guard
USG	United States Government
ha	Hectare
HCl	Hydrochloride (cocaine)
kg	kilogram
MT	metric ton

International Agreements

1988 UN Drug Convention	United Nations Convention Against Illicit Traffic in Narcotic Drugs and Psychotropic Substances, 1988
UN Single Drug Convention	United Nations Single Convention on Narcotic Drugs, 1961 as amended by the 1972 Protocol
UN Psychotropic Substances Convention	United Nations Convention on Psychotropic Substances, 1971
UN Convention Against Transnational Organized Crime:	United Nations Convention Against Transnational Organized Crime and its supplementing protocols
UNCAC	UN Convention against Corruption
Trafficking in Persons Protocol	Protocol to Prevent, Suppress and Punish Trafficking in Persons, Especially Women and Children, supplementing the United Nations Convention against Transnational Organized Crime
Migrant Smuggling Protocol	Protocol Against the Smuggling of Migrants by Land, Air and Sea, supplementing the United Nations Convention against Transnational Organized Crime
Firearms Protocol	Protocol against the Illicit Manufacturing of and Trafficking in Firearms, Their Parts and Components and Ammunition, supplementing the United Nations Convention against Transnational Organized Crime

INTRODUCTION

Legislative Basis for the INCSR

The Department of State's International Narcotics Control Strategy Report (INCSR) has been prepared in accordance with section 489 of the Foreign Assistance Act of 1961, as amended (the "FAA," 22 U.S.C. § 2291). The 2008 INCSR, published in March 2008, covers the year January 1 to December 31, 2007 and is published in two volumes, the second of which covers money laundering and financial crimes. In addition to addressing the reporting requirements of section 489 of the FAA (as well as sections 481(d)(2) and 484(c) of the FAA and section 804 of the Narcotics Control Trade Act of 1974, as amended), the INCSR provides the factual basis for the designations contained in the President's report to Congress on the major drug-transit or major illicit drug producing countries initially set forth in section 591 of the Kenneth M. Ludden Foreign Operations, Export Financing, and Related Programs Appropriations Act, 2002 (P.L.107-115) (the "FOAA"), and now made permanent pursuant to section 706 of the Foreign Relations Authorization Act, Fiscal Year 2003 (P.L.107-228) (the "FRAA").

Section 706 of the FRAA requires that the President submit an annual report no later than September 15 identifying each country determined by the President to be a major drug-transit country or major illicit drug producing country. The President is also required in that report to identify any country on the majors list that has "failed demonstrably. . . to make substantial efforts" during the previous 12 months to adhere to international counternarcotics agreements and to take certain counternarcotics measures set forth in U.S. law. U.S. assistance under the current foreign operations appropriations act may not be provided to any country designated as having "failed demonstrably" unless the President determines that the provision of such assistance is vital to the U.S. national interests or that the country, at any time after the President's initial report to Congress, has made "substantial efforts" to comply with the counternarcotics conditions in the legislation. This prohibition does not affect humanitarian, counternarcotics, and certain other types of assistance that are authorized to be provided notwithstanding any other provision of law.

The FAA requires a report on the extent to which each country or entity that received assistance under chapter 8 of Part I of the Foreign Assistance Act in the past two fiscal years has "met the goals and objectives of the United Nations Convention Against Illicit Traffic in Narcotic Drugs and Psychotropic Substances" (the "1988 UN Drug Convention") FAA§ 489(a)(1)(A).

Last year, pursuant to The Combat Methamphetamine Enforcement Act (CMEA) (The USA Patriot Improvement and Reauthorization Act 2005, Title VII, P.L. 109-177), amending sections 489 and 490 of the Foreign Assistance Act (22 USC 2291h and 2291) section 722, the INCSR was expanded to include reporting on the five countries that export the largest amounts of methamphetamine precursor chemicals, as well as the five countries importing these chemicals and which have the highest rate of diversion of the chemicals for methamphetamine production. This expanded reporting, which also appears in this year's INCSR and will appear in each subsequent annual INCSR report, also includes additional information on efforts to control methamphetamine precursor chemicals, as well as estimates of legitimate demand for these methamphetamine precursors, prepared by most parties to the 1988 UN Drug Convention and submitted to the International Narcotics Control Board. The CMEA also requires a Presidential determination by March 1 of each year on whether the five countries that legally exported and the five countries that legally imported the largest amount of precursor chemicals (under FAA section 490) have cooperated with the United States to prevent these substances from being used to produce methamphetamine or have taken adequate steps on their own to achieve full compliance with the

1988 UN Drug Control Convention. This determination may be exercised by the Secretary of State pursuant to Executive Order 12163 and by the Deputy Secretary of State pursuant to State Department Delegation of Authority 245.

Although the Convention does not contain a list of goals and objectives, it does set forth a number of obligations that the parties agree to undertake. Generally speaking, it requires the parties to take legal measures to outlaw and punish all forms of illicit drug production, trafficking, and drug money laundering, to control chemicals that can be used to process illicit drugs, and to cooperate in international efforts to these ends. The statute lists action by foreign countries on the following issues as relevant to evaluating performance under the 1988 UN Drug Convention: illicit cultivation, production, distribution, sale, transport and financing, and money laundering, asset seizure, extradition, mutual legal assistance, law enforcement and transit cooperation, precursor chemical control, and demand reduction.

In attempting to evaluate whether countries and certain entities are meeting the goals and objectives of the 1988 UN Drug Convention, the Department has used the best information it has available. The 2008 INCSR covers countries that range from major drug producing and drug-transit countries, where drug control is a critical element of national policy, to small countries or entities where drug issues or the capacity to deal with them are minimal. The reports vary in the extent of their coverage. For key drug-control countries, where considerable information is available, we have provided comprehensive reports. For some smaller countries or entities where only limited information is available, we have included whatever data the responsible post could provide.

The country chapters report upon actions taken—including plans, programs, and, where applicable, timetables—toward fulfillment of Convention obligations. Because the 1988 UN Drug Convention's subject matter is so broad and availability of information on elements related to performance under the Convention varies widely within and among countries, the Department's views on the extent to which a given country or entity is meeting the goals and objectives of the Convention are based on the overall response of the country or entity to those goals and objectives. Reports will often include discussion of foreign legal and regulatory structures. Although the Department strives to provide accurate information, this report should not be used as the basis for determining legal rights or obligations under U.S. or foreign law.

Some countries and other entities are not yet parties to the 1988 UN Drug Convention; some do not have status in the United Nations and cannot become parties. For such countries or entities, we have nonetheless considered actions taken by those countries or entities in areas covered by the Convention as well as plans (if any) for becoming parties and for bringing their legislation into conformity with the Convention's requirements. Other countries have taken reservations, declarations, or understandings to the 1988 UN Drug Convention or other relevant treaties; such reservations, declarations, or understandings are generally not detailed in this report. For some of the smallest countries or entities that have not been designated by the President as major illicit drug producing or major drug-transit countries, the Department has insufficient information to make a judgment as to whether the goals and objectives of the Convention are being met. Unless otherwise noted in the relevant country chapters, the Department's Bureau for International Narcotics and Law Enforcement Affairs (INL) considers all countries and other entities with which the United States has bilateral narcotics agreements to be meeting the goals and objectives of those agreements.

Information concerning counternarcotics assistance is provided, pursuant to section 489(b) of the FAA, in section entitled "U.S. Government Assistance."

Major Illicit Drug Producing, Drug-Transit, Significant Source, Precursor Chemical, and Money Laundering Countries

Section 489(a)(3) of the FAA requires the INCSR to identify:

- (A) major illicit drug producing and major drug-transit countries,
- (B) major sources of precursor chemicals used in the production of illicit narcotics; or
- (C) major money laundering countries.

These countries are identified below.

Major Illicit Drug Producing and Major Drug-Transit Countries ¹

A major illicit drug producing country is one in which:

- (A) 1,000 hectares or more of illicit opium poppy is cultivated or harvested during a year;
- (B) 1,000 hectares or more of illicit coca is cultivated or harvested during a year; or
- (C) 5,000 hectares or more of illicit cannabis is cultivated or harvested during a year, unless the President determines that such illicit cannabis production does not significantly affect the United States. FAA § 481(e)(2).

A major drug-transit country is one:

- (A) that is a significant direct source of illicit narcotic or psychotropic drugs or other controlled substances significantly affecting the United States; or
- (B) through which are transported such drugs or substances. FAA § 481(e)(5).

The following major illicit drug producing and/or drug-transit countries were identified and notified to Congress by the President on September 14, 2007, consistent with section 706(1) of the Foreign Relations Authorization Act, Fiscal Year 2003 (Public Law 107-228):

Afghanistan, The Bahamas, Bolivia, Brazil, Burma, Colombia, Dominican Republic, Ecuador, Guatemala, Haiti, India, Jamaica, Laos, Mexico, Nigeria, Pakistan, Panama, Paraguay, Peru, and Venezuela.

Of these 20 countries, **Burma and Venezuela** were designated by the President as having “failed demonstrably” during the previous 12 months to adhere to their obligations under international

¹ NB: The Presidential Determination as to which countries are “Major Illicit Drug Producing and Major Illicit Drug Trafficking Countries”, and which “failed demonstrably” to adhere to their obligations, reported in this year’s INCSR, is based on information available as of September 2007 and detailed in the 2007 INCSR. Determinations on the majors’ list are regularly made in the year preceding that in which they are reported in the INCSR.

counternarcotics agreements and take the measures set forth in section 489(a)(1) of the FAA. The President also determined, however, in accordance with provisions of Section 706(3)(A) of the FRAA, that support for programs to aid Venezuela's democratic institutions is vital to the national interests of the United States.

Major Precursor Chemical Source Countries

The following countries and jurisdictions have been identified to be major sources of precursor or essential chemicals used in the production of illicit narcotics:

Argentina, Brazil, Canada, Chile, China, Germany, India, Mexico, the Netherlands, Singapore, South Korea, Taiwan, Thailand, the United Kingdom, and the United States.

Information is provided pursuant to section 489 of the FAA in the section entitled "Chemical Controls."

Major Money Laundering Countries

A major money laundering country is defined by statute as one "whose financial institutions engage in currency transactions involving significant amounts of proceeds from international narcotics trafficking." FAA § 481(e)(7). However, the complex nature of money laundering transactions today makes it difficult in many cases to distinguish the proceeds of narcotics trafficking from the proceeds of other serious crime. Moreover, financial institutions engaging in transactions involving significant amounts of proceeds of other serious crime are vulnerable to narcotics-related money laundering. This year's list of major money laundering countries recognizes this relationship by including all countries and other jurisdictions, whose financial institutions engage in transactions involving significant amounts of proceeds from all serious crime. The following countries/jurisdictions have been identified this year in this category:

Afghanistan, Antigua and Barbuda, Australia, Austria, Bahamas, Belize, Brazil, Burma, Cambodia, Canada, Cayman Islands, China, Colombia, Costa Rica, Cyprus, Dominican Republic, France, Germany, Greece, Guatemala, Guernsey, Haiti, Hong Kong, India, Indonesia, Iran, Isle of Man, Israel, Italy, Japan, Jersey, Kenya, Latvia, Lebanon, Liechtenstein, Luxembourg, Macau, Mexico, Netherlands, Nigeria, Pakistan, Panama, Paraguay, Philippines, Russia, Singapore, Spain, Switzerland, Taiwan, Thailand, Turkey, Ukraine, United Arab Emirates, United Kingdom, United States, Uruguay, and Venezuela.

Further information on these countries/jurisdictions and United States money laundering policies, as required by section 489 of the FAA, is set forth in Volume II of the INCSR in the section entitled "Money Laundering and Financial Crimes."

Presidential Determination

White House Press Release
Office of the Press Secretary
Washington, DC
September 14, 2007

Presidential Determination No. 2007-33

Pursuant to section 706(1) of the Foreign Relations Authorization Act, Fiscal Year 2003 (Public Law 107-228)(FRAA), I hereby identify the following countries as major drug transit or major illicit drug producing countries: **Afghanistan, The Bahamas, Bolivia, Brazil, Burma, Colombia, Dominican Republic, Ecuador, Guatemala, Haiti, India, Jamaica, Laos, Mexico, Nigeria, Pakistan, Panama, Paraguay, Peru, and Venezuela.**

A country's presence on the Majors List is not necessarily an adverse reflection of its government's counternarcotics efforts or level of cooperation with the United States. Consistent with the statutory definition of a major drug transit or drug producing country set forth in section 481(e)(2) and (5) of the Foreign Assistance Act of 1961, as amended (FAA), one of the reasons that major drug transit or illicit drug producing countries are placed on the list is the combination of geographical, commercial, and economic factors that allow drugs to transit or be produced despite the concerned government's most assiduous enforcement measures.

Pursuant to section 706(2)(A) of the FRAA, I hereby designate Burma and Venezuela as countries that have failed demonstrably during the previous 12 months to adhere to their obligations under international counternarcotics agreements and take the measures set forth in section 489(a)(1) of the FAA. Attached to this report are justifications for the determinations on Burma and Venezuela, as required by section 706(2)(B). I have also determined, in accordance with the provisions of section 706(3)(A) of the FRAA, that support for programs to aid Venezuela's democratic institutions is vital to the national interests of the United States.

Although President Karzai has strongly attacked narcotrafficking as the greatest threat to Afghanistan, one third of the Afghan economy remains opium-based, which contributes to widespread public corruption, damage to licit economic growth, and the strengthening of the insurgency. The government at all levels must be held accountable to deter and eradicate poppy cultivation, remove and prosecute corrupt officials, and investigate and prosecute or extradite narcotraffickers and those financing their activities. We are concerned that failure to act decisively now could undermine security, compromise democratic legitimacy, and imperil international support for vital assistance.

In Afghanistan, one model for success can be drawn by comparing the marked differences in cultivation between the northern and southern provinces. Several northern provinces contributed to a decline in poppy cultivation resulting from a mixture of political will and incentives and disincentives, such as public information, alternative development, and eradication. Furthermore, several northern provinces with very low amounts of poppy are well on their way to becoming poppy free.

Despite the significant progress made in Afghanistan since 2001, the country continues to face tremendous challenges. Our struggle to win hearts and minds, while confronting the insurgency, continues to directly hinge on our ability to help the Afghan government produce visible results.

We need to encourage a firm belief among the Afghan people that their national government is capable of delivering an alternative to the preceding decades of conflict. Our reconstruction assistance is an essential instrument to achieve that goal.

Bolivian counternarcotics cooperation has been uneven. The Bolivian government has cooperated closely on interdiction, and operations and seizures have reached record levels. The government is on track to reach 5,600 hectares of eradication this year, surpassing its goal of 5,000 hectares.

However, these measures have been outstripped by replanting and expansion of cultivation in Bolivia, the world's third-largest producer of coca. The Government of Bolivia's policy of "zero cocaine, but not zero coca" has focused primarily on interdiction, to the exclusion of its other essential complements, especially coca crop eradication. We strongly encourage the Government of Bolivia to make its number one priority the reduction and eventual elimination of excess coca crops, a major source of illegal cocaine for the hemisphere, Europe, the United States, and increasingly, for Bolivian citizens. In the area of drug control policy development, we urge the Government of Bolivia to revamp its national drug control strategy to eliminate permissiveness in licit cultivation, to abolish the so-called "cato" exemption, and to tighten controls on the sale of licit coca. As a party to the three major United Nations drug conventions, we urge Bolivia to move quickly to adopt and implement a modern anti-money/counterterrorism financing law, and take concrete steps to strengthen and better enforce precursor chemical controls and its asset forfeiture regime.

The United States enjoys close cooperation with Canada across a broad range of law enforcement issues. We remain concerned that the production of high-potency, indoor-grown marijuana for export to the United States continues to thrive in Canada in part because growers do not consistently face strict legal punishment. The marijuana industry in Canada is becoming increasingly sophisticated, with organized crime groups relying on marijuana sales as the primary source of income and using profits to finance other illegal activities. The production of synthetic drugs such as MDMA/Ecstasy and methamphetamine, some of which are exported to the United States, appears to be on the rise in Canada. The Government of Canada has made a serious effort to curb the diversion of precursor chemicals that are required for methamphetamine production to feed domestic and U.S. illegal markets and has worked productively with the United States in joint law enforcement operations that disrupted drug and currency smuggling operations along both sides of the border.

The Government of Ecuador has made considerable progress in combating narcotics trafficking destined for the United States. However, a dramatic increase in the quantity of cocaine transported toward the United States using Ecuadorian-flagged ships remains an area of serious concern. Effective cooperation and streamlined maritime operational procedures between the U.S. Coast Guard and Ecuadorian Navy are resulting in an increase in the amount of cocaine interdicted. Building on that cooperation, we will work with Ecuador to change the circumstances that make Ecuadorian-flagged vessels and Ecuadorian citizenship so attractive to drug traffickers.

Guinea-Bissau is becoming a warehouse refuge and transit hub for cocaine traffickers from Latin America transporting cocaine to Western Europe. Narcotics traffic is becoming yet another hurdle for Guinea-Bissau as it emerges from civil conflict. International donors and organizations are working to encourage and assist Guinea-Bissau in its efforts to confront organized cocaine trafficking networks that would use the country for warehousing and transshipment. These efforts are certainly appropriate and should be supported and advanced to deter illegal drug activities in Guinea-Bissau.

India has an exemplary record on controlling its licit opium production and distribution process, despite formidable challenges to its efforts. The Government of India can be correctly proud of its diligent law enforcement agencies and the introduction of high-tech methods, including “Smart Cards” for each licensed opium farmer. Recently, Indian enforcement officials identified and destroyed substantial illicit opium poppy cultivation in areas thought to be free of illicit cultivation in the past. Indian officials will want to investigate the circumstances of this surprisingly large illicit cultivation to identify those behind this disquieting phenomenon and arrest, prosecute, and convict them.

Nigeria has made progress on many narcotics control and anti-money laundering benchmarks. There is reason to be hopeful. The Economic and Financial Crimes Commission has seized millions in the proceeds of crime, anti-money laundering efforts have been successful, and Nigeria is cooperating with the international community to improve its efforts against money laundering even more. Still necessary are procedural reforms to streamline extradition procedures. For many narcotics criminals no sanction is more effective than the fear they could face a court and jail time in the countries to which they have trafficked narcotics. Nigeria should also re-double its efforts to use its frequent apprehension of street criminals and couriers to identify and prosecute major drug traffickers.

You are hereby authorized and directed to submit this report under section 706 of the FRAA, transmit it to the Congress, and publish it in the *Federal Register*.

GEORGE W. BUSH

**MEMORANDUM OF JUSTIFICATION FOR PRESIDENTIAL
DETERMINATION ON MAJOR DRUG TRANSIT OR ILLICIT DRUG
PRODUCING COUNTRIES FOR FY 2008**

Venezuela

Venezuela has failed demonstrably to make sufficient efforts to meet its obligation under international counternarcotics agreements and U.S. domestic counternarcotics requirements for the second straight year.

This determination comes as the result of the Government of Venezuela's insufficient action against drug trafficking within and through its borders, commensurate with the country's international obligations and responsibilities to the international community. The Government of Venezuela has also failed to respond to specific United States Government requests for counternarcotics cooperation.

Although the Government of Venezuela has indicated that it has developed new programs to fight increased drug trafficking, seizures continue to be very limited, and there continues to be a lack of significant inspections at ports of entry and exit, including along the border with Colombia. The Government of Venezuela also has not attempted meaningful prosecutions of traffickers or corrupt officials. Venezuela's importance as a transshipment point for drugs bound for the United States and Europe continues to increase, a situation both enabled and exploited by corrupt Venezuelan officials and a weak judicial system. Meanwhile, organized crime is flourishing.

The Government of Venezuela has not renewed formal counternarcotics cooperation agreements with the United States Government, including signing a letter of agreement that would make funds available for cooperative programs to fight the flow of drugs to the United States.

The vital national interest certification will allow the United States Government to provide funds that support programs to support civil society and other beleaguered democratic institutions and to assist in small community development programs for the benefit of the Venezuelan people.

**MEMORANDUM OF JUSTIFICATION FOR PRESIDENTIAL
DETERMINATION ON MAJOR DRUG TRANSIT OR ILLICIT DRUG
PRODUCING COUNTRIES FOR FY 2008**

Burma

Burma failed demonstrably to make sufficient efforts during the last 12 months to meet its obligations under international counternarcotics agreements and the counternarcotics requirements set forth in section 489 (a) (1) of the Foreign Assistance Act of 1961, as amended.

Burma still is the largest source of methamphetamine pills in Asia, and pill production continues to grow. Burma's military government has taken no consistent action against the largest methamphetamine pill manufacturing and trafficking group in Asia, the United Wa State Army, an armed semi-autonomous ethnic minority organization, which has caused considerable hardship for Burma's neighbors in Thailand, Malaysia, Singapore and Indonesia. On occasion, Burmese authorities have accepted casualties, in the enforcement of Burma's anti-narcotics laws, but overall Burma has not mounted a serious, direct, and effective confrontation of the known narcotics manufactures and traffickers operating from its territory.

The military regime appears to deal inconsistently with suspected drug traffickers, in some cases moving sharply against them to enforce anti-narcotics laws and, in other cases, seeming to tolerate their criminality, if not encourage it. Declining poppy cultivation has been matched by a sharp increase in the production and export of synthetic drugs. To date, Burma has taken no direct action against the eight leaders of the notorious United Wa State Army indicted in January 2005 in a U.S Federal court, nor has any action been taken against the infamous drug kingpin Chang Chi-Fu, who surrendered to Burmese official but continues to live in Rangoon.

Burma makes no consistent effort against drug-related corruption, in contravention of its international treaty commitments. Many army and police personnel posted on the border are believed to be involved in facilitating the drug trade. The military government has never prosecuted a Burmese Army officer over the rank of full colonel for drug-related offenses or drug-related corruption.

For the third consecutive year, Burma failed to provide sufficient cooperation to support the United States-Burma joint opium yield survey, previously an annual exercise. Opium yield surveys are clearly in the interest of both sides to track the implications of policy steps taken and to gauge future action based on hard facts rather than estimates.

Burma's prevention and drug treatment programs suffer from inadequate resources and a lack of high-level government support. Funding limitations mean that many addicts cannot be reached. According to UNAIDS, Burma's Ministry of Health spent a total of \$137,000 on HIV in 2005, equivalent to less than half of \$0.01 per person.

While the overall picture of Burma's counternarcotics efforts remains overwhelmingly negative, there are some positive aspects. Opium production in Burma is down more than 80 percent from its peak, in part as a result of Burmese Government efforts. Seizures of methamphetamine increased in 2006 and 2007; law enforcement officials netted in excess of 19 million methamphetamine tablets. Burma destroyed three methamphetamine labs in 2006.

In October 2006, the Financial Action Task Force (FATF) removed Burma from the FATF list of Non-Cooperative Countries and Territories, although the United States maintains separate countermeasures issued by the Financial Crimes Enforcement Network of the Treasury

Department. Burma became a member of the Asia/Pacific group on Money Laundering in January 2006. Burma maintains a regular dialogue on precursor chemicals with India, China, Thailand, and Laos. As a result, India and China have taken steps, including the creation of exclusion zones, to divert precursors away from Burma's border areas. Burma has also cooperated with these countries on a variety of counternarcotics law enforcement issues.

POLICY AND PROGRAM DEVELOPMENTS

Overview for 2007

This year is the 25th occasion for publication of the International Narcotics Control Strategy Report. Over this period, a fundamental shift has occurred in the world's understanding of both our shared drug problem and the need for concerted international efforts to fight narcotics cultivation, production, trafficking and use. When this report began 25 years ago, the attention of the world community was often distracted by an unproductive blame-game between “producer” states in Latin America and Asia and “consumer” states in Europe and North America. There was little perception that we faced a common enemy and shared common objectives in international drug control. Instead, too often, there was a perception that without demand, supply would end, and that transit countries need not worry about addiction among their domestic populations. We now know that the lure of such incredible profits, as the drug traffic generates, makes this a trade that circumvents such a simple formula. Those who want to supply drugs make it their business to encourage demand by paying transit state residents in drugs instead of money and manipulating prices to get and keep addicts. Drug abuse and addiction is widespread in most transit countries; at least to some extent, drug supply creates its own demand. We all face a thinking, well-financed enemy and we must all, every legitimate nation-state and international authority, work together to thwart this network.

Understanding that demand is a key element of this problem, the United States has greatly increased its spending on drug treatment and avoidance programs over the decades, and has invested in cutting-edge medical and social research on how to decrease demand. We are proud of the results and have worked with the Organization of American States, the United Nations, and countries all over the world to share programs such as drug courts, early intervention, and school drug testing.

We work with our allies to fight drug cultivation, processing and trafficking, and the laundering of drug proceeds, on a global scale. In 2007, clear indications of success in pushing traditional traffickers out of business, and meeting demand reduction needs, were evident but much more remains to be done. Throughout the world, countries that seek to stabilize their democratic gains find themselves besieged by criminals who can financially undermine legitimate law enforcement and economic institutions. The environment is equally under siege, as drug traffickers practice deforestation and chemical dumping in fragile ecosystems.

Record levels of Afghan opium cultivation have led to an increased flow of heroin to Europe, Russia and the Middle East, which undermines those societies as well as the consolidation of democracy and security in Afghanistan. Cocaine and cannabis pose considerable risk to societies in the Americas, and increasingly to fragile transit nations in West Africa. According to the 2007 World Drug Report by the UN Office of Drugs and crime, “Global demand for cocaine has also stabilized, although the decline in the United States is offset by alarming increases in some European countries . . . [T]he production and consumption of amphetamine-type stimulants (ATS) has leveled off, with a clear downward trend in North America and, to a lesser degree, Europe . . . [T]he health warnings on higher potency cannabis, delivered in past *World Drug Reports*, appear to be getting through. For the first time in years, we do not see an upward trend in the global production and consumption of cannabis. [Finally,] opium production, while significant, is now highly concentrated in Afghanistan's southern provinces.”

The ultimate success of international drug control efforts will hinge, in large part, on two factors: sustained international political will and effective capacity building. States must continue to confront illicit drug use, production, and transshipment with the energy and determination that reflects how seriously these threats affect their own societies and national security. The world community has made tremendous progress on this front since the first publication of this report 25 years ago, most notably in the form of the 1988 UN Drug Control Convention. Over the past quarter-century, the topic of

international drug control has evolved from a second-tier diplomatic concern to a pressing priority for international statecraft, discussed at the very highest levels of government and handled daily through a range of international institutions and legal tools that have evolved during that time.

In 2007, for example, the Organization of American States (OAS) celebrated the 20th anniversary of its Inter-American Drug Abuse Control Commission (CICAD), which is comprised of senior officials from all 34 OAS Member States. Over the years, CICAD has fostered numerous policies and programs to implement concrete, effective drug control cooperation among the major hemispheric drug control and trafficking countries affecting the narcotics problem in the U.S., as well as in Europe and elsewhere. As another example, the Financial Action Task Force (FATF) was formed in 1989 as an inter-governmental body to develop and promote national and international policies to combat money laundering, and more recently, to combat terrorist financing. The FATF has helped generate the necessary political will to bring about legislative and regulatory reforms in these fields, and its recommendations are widely recognized as the preeminent international standards for effective anti-money laundering regimes. More recently, to expand upon the cooperative framework established under the 1988 UN Drug Control Convention, two additional UN treaties concerning all forms of transnational organized crime and public corruption have been negotiated and have entered into force.

These international agreements reflect some overarching lessons learned from our efforts to combat the illegal drug trade over the past quarter century, namely: that international crime extends far beyond drug trafficking to include many different threats to U.S. and international interests, and can be combated through common strategies and legal mechanisms; and that combating and preventing corruption is absolutely essential to preventing criminal networks from achieving greater success and power. Working through these multilateral fora and through traditional bilateral diplomacy, the United States will continue to encourage states to fully implement their political commitments in keeping with the goals set by international law.

Political will is essential for achieving progress against illicit drugs, but it is not self-actualizing. Sustainable progress requires sufficient capacities for enforcing the rule of law and implementing the objectives of committed governments. To assist this process, the United States is committed to enhancing the capacity of governments to uphold their international commitments in practice. The United States cannot by itself arrest every drug criminal, provide for every alternative development project, disrupt the finances of every drug trafficker, or dismantle every drug trafficking organization. In this regard, the goal of the United States is to assist governments to become full and self-sustaining partners in promoting the goals of the UN Drug Control Conventions.

Controlling Supply

Cocaine, ATS, marijuana and heroin are the drugs that most threaten the United States and its international allies. The USG's goal is to reduce and ultimately cut off the international flow of illegal drugs. Our primary strategy targets drug supply at critical points along the grower-to-user chain that links the consumer, in the case of cocaine or heroin, with the growers cultivating coca or opium poppies. Intermediate links are the processing (drug refining), transport and wholesale distribution stages.

The cornerstone of U.S. supply reduction strategy remains source-zone eradication. We continue to strongly believe that drug crops are the weakest link in the drug production chain; coca and poppy crops are detectable from satellite imagery, easily destroyed, and—unlike some people and institutions—immune to corruption. They require adequate growing conditions, ample land, and time to reach maturity. We have a much more realistic chance eliminating drug crops in the ground than we do of capturing traffickers, who are armed, difficult to track, and ingenious in their delivery methods.

However, even the most thoroughly executed crop eradication campaigns will not achieve sustainable results, unless backed by effective police forces that can detect and arrest traffickers, and courts that

can prosecute them. Since drug cultivation flourishes in environments where state authority is weak and economic development is low, support for law enforcement institutions must be mainstreamed into overall efforts to achieve sustainable development. In many cases, as we have seen in Afghanistan and parts of the Andean countryside, these law enforcement institutions and licit economic networks need to be created from scratch. Building institutional capacities in such environments is a tough, long-term process that does not lend itself to quick results, particularly if such regions are in the midst of civil conflicts. It requires long-term sustained funding and commitment from host governments and the international donor community. One of the more encouraging trends of recent years is that there has been a growing international appreciation for the linkage between development and law enforcement, and an increasing awareness that drug-induced corruption and lack of law enforcement and criminal justice institutions can hinder social and economic development. The United States believes that law enforcement and criminal justice institutional development is an integral component of broader development strategy, and we are encouraged that the broader international community has increasingly supported this mainstreaming approach over recent years.

Perhaps the most acute and crucial challenge of achieving sustainable development in territories where drug-cultivation takes place is the need to integrate otherwise marginalized regions into the economic and political mainstream of host countries. The term that is most often used for this by the United States, the United Nations and other international actors is “alternative development,” but it may be more accurate to think of such assistance as support for “alternative livelihoods,” because alternative development goes far beyond crop substitution, the usual assumed meaning. In some situations, crop substitution is neither feasible nor desirable. In some areas, the same soil that supports illicit drug crop cultivation does not have adequate nutrients to support licit crops. Licit crops rarely produce the same income as drug crops, and in some cases, farmers will need inducement to pursue non-agricultural pursuits. Even more powerful forms of compensation include access to credit, security, and government services such as roads, schools, health centers, electricity and water. Establishing these programs on the ground is a lengthy, sometimes frustrating process, and implementation of these alternative development assistance programs is often slower than the process of training and equipping law enforcement personnel. However, if implemented correctly, alternative development is good policy and good politics. Without it, crop eradication alone will never amount to more than a temporary palliative, and will not achieve sustainable reduction of illicit narcotic crops.

Based on decades of experience in illicit crop reduction and alternative development, there is convincing evidence that alternative development without some measure of forced eradication leads to little or no reduction in drug production. Similarly, programs that rely on voluntary eradication need to have a forced eradication component to signal political commitment to growers. There are no licit crops or activities that generate an income comparable to coca or opium poppy. Drug cultivators will only get out of the business when they are convinced that authorities will not tolerate it. The United States is firmly convinced that governments can derive no benefit from entering into negotiations with these illegal growers. If they are dealt with as legitimate lobbies rather as law-breakers, drug interests can grow emboldened, and this can lead to the creation or reinforcement of large, possibly well-armed groups capable of violence. Contrary to what might be expected, tolerance can lay the groundwork for civil insurrection, and once organized, these insurrections can be extremely difficult to put down in areas where institutional development lags behind.

For non-organic drugs, such as ATS, physical eradication is impossible. Instead, the U.S. and its allies must create a legal regime of chemical controls and law enforcement efforts aimed at thwarting those who divert key chemicals, and destroying the laboratories needed to create ATS. Our international programs focus on all the links in the supply-to-consumer chain: the processing and distribution stages, the interdiction of drug shipments, and attention to the money trail left by this illegal trade.

Cocaine

The rate of U.S. cocaine consumption has generally declined over the past 10 years, but held steady last year among teenagers. Cocaine continues to be a major domestic concern.

Coca Eradication: The October 2007 Interagency Assessment of Cocaine Movement (IACM) estimates that between 530 and 710 metric tons (MT) of cocaine departed South America toward the United States in 2006, an amount similar to the 2005 estimate. Since all cocaine originates in the Andean countries of Colombia, Peru, and Bolivia, the U.S. Government channels a significant portion of its international resources towards eliminating illegal coca cultivation (the raw ingredient in cocaine) within these countries. We actively support efforts by these governments to eliminate illegal coca within each country's individual context. Alternative development programs offer farmers opportunities to abandon illegal activities and join the legitimate economy, a key tool for countries seeking to free their agricultural sector from reliance on the drug trade. In the Andean countries, such programs play a vital role in providing funds and technical assistance to strengthen public and private institutions, expand rural infrastructure, improve natural resources management, introduce alternative legal crops, and develop local and international markets for these products.

Colombia leads the world in coca cultivation as the source of roughly 90 percent of the cocaine destined for the U.S. with Peru and Bolivia a distant second and third respectively. Cocaine trafficking to Europe from South America is becoming a serious concern, especially through transit states in West Africa. By the end of 2007, the Colombian government reported eliminating about 153,133 hectares of coca through aerial eradication and another 66,396 hectares through manual eradication. If harvested and refined, this eradicated coca could have yielded hundreds of metric tons of cocaine worth billions of dollars on U.S. streets.

Bolivia and Peru face challenges to implementing their coca eradication and cocaine interdiction activities. Politically well-connected and active *cocalero* (coca grower) associations link coca cultivation to issues of cultural identity and national pride and are stepping up efforts to challenge eradication efforts. Traffickers are continuing to exploit these growers' unions for their own purposes.

Bolivian President Evo Morales, a former *cocalero* leader, continued to promote his policy of "zero cocaine but not zero coca" and to push for industrialization of coca. His administration continues to pursue policies that would lead to an increase in legal coca cultivation from 12,000 to 20,000 hectares—a change that would violate current Bolivian law and potentially contravene the 1988 UN Drug Convention, to which Bolivia is a party. The GOB eradicated more than 6,000 hectares by the end of the year, nearly all of that in the Chapare region. USG-supported Bolivian counternarcotics units, as of September 30, 2007, had seized 13.8 tons of cocaine base and cocaine hydrochloride (HCl) and destroyed 3,093 cocaine labs and maceration pits.

Peru eradicated 11,057 hectares in 2007. Cocaleros in Peru engaged in numerous violent acts to resist eradication. The Sendero Luminoso terrorist group has openly identified with coca growers and drug traffickers, and organized violent ambushes of police and intimidation of alternative development teams in coca growing areas.

Cocaine Seizures: Colombian authorities seized 191.3 metric tons of cocaine in the course of the year, and destroyed 240 cocaine HCl labs and 2,875 cocaine base labs. Bolivia seized 13.8 metric tons of cocaine and destroyed 3,093 cocaine labs and maceration pits; and Peru seized over 16 metric tons of cocaine.

Collectively, the eradication of coca and seizures of cocaine within the Andean source countries prevented hundreds of metric tons of cocaine from reaching U.S. streets and deprived international drug syndicates of billions of dollars in profits.

Interdiction in the Cocaine Transit Zone: The cocaine transit zone drug flow is of double importance for the United States: it threatens our borders, and it leaves a trail of corruption and addiction in its wake that undermines the social framework of societies in Central America, Mexico and the Caribbean. Helping our neighbors police transit zones has required a well-coordinated effort between the governments of the transit zone countries and the USG. With high levels of post-seizure intelligence collection, and cooperation with allied nations, we now have more actionable intelligence within the transit zone.

The U.S. Joint Inter-Agency Task Force – South (JIATF-S), working closely with international partners from throughout the Caribbean Basin, has focused its and regional partners' intelligence gathering efforts to detect and monitor maritime drug movements while maneuvering interdiction assets into position to affect seizures. The USG's bilateral agreements with Caribbean and Latin American countries have eased the burden on these countries' law enforcement assets to conduct at sea boardings and search for contraband, while allowing the USG to gain jurisdiction over cases and remove the coercive pressure from large drug trafficking organizations on some foreign governments.

Mexican law enforcement interdicted over 48 MT of cocaine; 2,171 MT of marijuana; 292 kilograms of opium gum; 298 kilograms of heroin; and, 899 kilograms of methamphetamine in 2007. Venezuela reported seizures of 28 metric tons of cocaine in 2007. This is less than claimed seizures in 2006; and these figures include seizures made by other countries in international waters that were subsequently returned to Venezuela, the country of origin.

According to JIATF-S, the number of drug smuggling flights from Venezuela to Hispaniola increased by 38 percent from 2006 to 2007. Approximately two thirds of the flights went to the Dominican Republic, and, in 2007, Dominican authorities seized approximately four metric tons of cocaine, 102.5 kilograms of heroin, 17,902 units of MDMA, and 511.7 kilograms of marijuana. Haiti seized 914 kilograms of cocaine and marijuana. West Africa has become a hub for cocaine trafficking from South America to Europe. Some 33 tons of cocaine have been seized in West Africa since 2005, but this is probably only the tip of the iceberg. UNODC estimates that around 40 tons of cocaine were trafficked through West Africa in 2007 alone. A quarter of all cocaine consumed in Europe may transit West Africa.

This onslaught is due to more effective interdiction along traditional trafficking routes, and the convenient location of West Africa between Andean cocaine suppliers and European consumers, but most of all it reflects the vulnerability of West African countries to organized crime.

Synthetic Drugs

Amphetamine-Type Stimulants (ATS): Although abuse and trafficking in amphetamine-type stimulants (ATS) remain among the more serious challenges in the drug-control arena, the 2007 edition of the UN Office of Drugs and Crime's World Drug Report (2007) notes that "the alarming increases in the production of ATS throughout the 1990s seem to have leveled off over the last few years. This is likely a result of recent efforts to monitor and improve precursor control." Despite this modest stabilization, the use of methamphetamine, amphetamine, and MDMA ("ecstasy") remains prevalent in many countries, especially in those of Central and Northern Europe and Southeast Asia. Synthetics can be made anywhere and offer enormous profit margins. The relative ease and low cost of manufacturing ATS drugs from readily available chemicals appeals as much to small drug entrepreneurs as to the large international syndicates.

Methamphetamine production and distribution are undergoing significant changes in the United States. Methamphetamine use has stabilized nationally since 2002 after increasing during much of the 1990s, and domestic production of methamphetamine has decreased dramatically since 2004. However, according to the December 2007 National Drug Intelligence Center's "*National Methamphetamine Threat Assessment 2008*," the increasing prevalence of high-purity ice methamphetamine throughout

the country and the expansion of methamphetamine networks operated by Mexican and Asian drug trafficking organizations have largely sustained U.S. methamphetamine markets. Despite heightened chemical import restrictions in Mexico, production in that country has increased since 2004, and Mexican organizations and product continue to dominate domestic markets, supplanting many local dealers who had previously produced and distributed the drug independently.

This pattern is at least partially due to increasingly effective domestic controls over the retail sale of licit pharmaceutical preparations containing ephedrine and pseudoephedrine, the primary chemicals necessary for methamphetamine. Regulations for the sale of such products in the U.S. became effective at the national level for the first time in late 2006 under the Combat Methamphetamine Epidemic Act (CMEA). To capitalize on these gains and prevent production from merely shifting ground, the U.S. Government enhanced the scale and pace of its law enforcement cooperation with the Government of Mexico to target the production and trafficking of methamphetamine. For its part, the Government of Mexico demonstrated unprecedented political commitment towards stemming the illicit diversion of chemicals required for methamphetamine production. The Government of Mexico determined in September of 2007 that it would issue no further licenses for the importation of any amount of ephedrine, pseudoephedrine, and any product containing these chemicals. Sellers of ephedrine and pseudoephedrine products must deplete their remaining stores of products containing these chemicals by 2009, after which the use of these products will be illegal in Mexico. This new policy has the potential to significantly disrupt the methamphetamine trade in the years ahead.

The United States is keenly aware that drug traffickers are adaptable, well-informed, and flexible. New transshipment routes may be emerging in Southeast Asia and Africa, and there is also ample evidence that organized criminal groups ship currently uncontrolled chemical analogues of ephedrine and pseudoephedrine for use in manufacturing illicit methamphetamine-type drugs. Large-scale methamphetamine production is increasing in Canada as outlaw motorcycle gangs and Asian drug trafficking organizations expand their methamphetamine operations. Some methamphetamine produced in Canada is distributed in U.S. drug markets, along with some MDMA (also known as ecstasy).

Canada has also emerged as a source country for a significant percentage of the ecstasy consumed in the United States. The Netherlands remains an important producer of ecstasy as well, although the amount of this drug reaching the United States seems to have declined substantially in recent years, abetted by proactive measures from the Dutch Government. The successful five-year strategy (2002-2006) against the production, trade and consumption of synthetic drugs was endorsed by the Dutch Parliament in 2007. Labs in Poland and elsewhere in Eastern Europe are major suppliers of amphetamines to the European market, with the United Kingdom and the Nordic countries among the heaviest European consumers of amphetamine. In the United States, Ecstasy use has flattened among the teenage population most at risk, according to the 2007 Monitoring the Future report.

Pharmaceutical Abuse, and the Internet: The number of Internet pharmacies established since 2002, and particularly since 2005, has increased sharply. According to the National Drug Intelligence Center's October 2007 "National Drug Threat Assessment," a study by the National Center on Addiction and Substance Abuse (CASA) at Columbia University states that the number of Internet pharmacy sites offering Schedules II through V controlled prescription drugs increased 70 percent—from 342 in 2006 to 581 in 2007. The study determined that 32 percent of the sites were "anchor sites" (sites at which the customer could place an order and pay for the drugs), and the remaining 68 percent were simply portal sites that directed customers to the anchor sites. Of the anchor sites, 84 percent did not require a prescription at all to purchase the drugs, and another approximately 10 percent accepted faxed prescriptions, increasing the risk of multiple use of one prescription or use of fraudulent prescriptions.

An area of continuing concern is the abuse of pharmaceutical drugs, especially among teenagers. According to the December 2007 “Monitoring the Future” survey, while most of the illicit drugs have shown considerable declines in use over the past decade or so, most prescription psychotherapeutic drugs did not; in fact, a number of them showed steady increases in use outside of their legitimate medical use (amphetamines being the single exception). These include sedatives such as Vicodan, tranquilizers, and narcotic drugs other than heroin (most of which are analgesics). As a result, they have become a relatively more important part of the nation’s drug abuse problem. Fortunately, most of them have shown signs of leveling or even of beginning a gradual decline in use over the past couple of years. Many of these drugs are available over the Internet, through doctors prescribing drugs without seeing patients or “pharmacies” that accept unverified or even substandard prescriptions. It is not known what percentage of this abuse involves international sources.

Cannabis (Marijuana)

Cannabis production and marijuana consumption continue to appear in nearly every world region, including in the United States. Marijuana still remains the most widely used of all of the illicit drugs. According to the December 2007 “Monitoring the Future” study, the decline in 2007 in the annual prevalence of marijuana use among U.S. 8th graders was statistically significant, falling from 11.7 percent in 2006 to 10.3 percent in 2007. Since the recent peak years of use reached in the mid-1990s, annual prevalence has fallen by over 40 percent among 8th graders, 30 percent among 10th graders, and nearly 20 percent among 12th graders. The prevalence rates for marijuana use in the prior year now stand at 10 percent, 25 percent, and 32 percent for grades, 8, 10, and 12, respectively.

Drug organizations in Mexico and Canada produce more than 4,000 metric tons of marijuana, which is then marketed to the more than 20 million users in the United States. Canada produces approximately 800 metric tons of high potency marijuana, which is marketed, increasingly, nationwide in the United States, along with marijuana from Colombia, Jamaica, and possibly Nigeria. Domestic production of marijuana may rival that of foreign sources.

According to the U.S. Drug Enforcement Administration (DEA), marijuana potency has increased sharply. Of great concern is the high potency, indoor-grown cannabis produced on a large scale in Canada and grown in laboratory conditions using specialized timers, ventilation, moveable lights on tracks, nutrients sprayed on exposed roots and special fertilizer that maximize THC levels. A portion of U.S. domestic production is also grown under these “hydroponic” conditions. The result is a particularly powerful, dangerous, and addictive drug. Despite suggestions that marijuana use has no long-term consequences, the latest scientific information indicates that marijuana use is a common first step to the abuse of more serious drugs, and that the drug itself is associated with learning difficulties, memory disturbances, and schizophrenia.

Opium and Heroin

Opium poppy, the source of heroin, is cultivated mainly in Afghanistan, Southwest Asia, and on a small scale in Colombia and Mexico. In contrast to coca, a perennial which takes at least a year to mature into usable leaf, opium poppy is an easily planted annual crop that can yield as many as three harvests per year with the correct care and climate. Opium gum can take less than 6 months to harvest.

According to the United Nations Office of Drugs and Crime (UNODC), Afghanistan produced 93 percent of the world’s opium poppy in 2007, which was a record high for the second year in a row. Total poppy cultivation increased by 28,000 hectares over 2006 levels, which accounts for a 17 percent increase in land under cultivation. While the total export value of this opium harvest was \$4.0 billion, which made up more than a third of Afghanistan’s combined licit and illicit GDP of \$11.5 billion, only \$1 billion was paid to Afghan poppy farmers, with the rest going to the narcotics traffickers. Containing poppy cultivation in Afghanistan is intimately tied to the considerable security

challenges faced there by counterinsurgent Coalition forces. A growing body of evidence indicates the presence of a symbiotic relationship between the narcotics trade and the anti-government insurgency, most commonly associated with the Taliban. Narcotics traffickers provide revenue and arms to the insurgency, while insurgents provide protection to growers and traffickers to prevent the government from interfering with their activities.

Afghanistan supplies all but a small amount of the heroin going to Europe, Russia, the Middle East, and much of Asia. Although only a small portion of heroin produced from Afghan opium finds its way to the United States, the negative implications of the drug trade for Afghan security, reconstruction, governance, and economic development make countering narcotics key to achieving all other U.S. objectives in Afghanistan. In the south of the country, where poppy cultivation is most pronounced, the Afghan Government has faced challenges controlling narcotics due to insecurity, corruption, a lack of political will, the limited reach of Afghan law enforcement, and a weak judicial system. Poppy production has soared in recent years in provinces where insurgents are most active: five relatively higher-income, agriculturally rich provinces along the Pakistan border account for 70 percent of Afghanistan's 2007 poppy production with over 50 percent occurring in Helmand province alone. In the more secure north and central areas of the country, however, poppy production has been significantly reduced or even completely eliminated, in the case of 13 provinces, due to successful counternarcotics efforts combined with security, political will, and the provision of development assistance.

In August 2007, the U.S. unveiled its *Counternarcotics Strategy for Afghanistan* to guide its efforts to achieve short-term and long-term success in the fight against narcotics. The strategy maintains the basic framework of the comprehensive five pillar approach to counternarcotics – public information, alternative development, eradication, interdiction, and law enforcement and justice sector reform – but calls for several key refinements to better address changing trends in cultivation, the security context, the political climate, and economic development requirements. The strategy enhances *incentives* for participation in licit livelihoods through the provision of additional development assistance, while simultaneously strengthening the *disincentives* to participation in all aspects and levels of the narcotics industry through increased interdiction, eradication, and law enforcement. The complexity of the drug problem in Afghanistan demands a balanced counternarcotics approach that melds deterrence, prevention, and economic development assistance. The U.S. approach meets these requirements and supports the Afghan Government's own strategy to combat narcotics.

Much of the heroin used in the United States comes from poppies grown in Colombia and Mexico, though opium gum production in these countries accounts for less than four percent of the world's total production and Colombian production has been cut by 60 percent since 2001. Mexico supplies most of the heroin found in the western United States while Colombia supplies most of the heroin east of the Mississippi. Long-standing joint eradication programs in both countries continue with our support. Colombian law enforcement eradicated 375 hectares of opium poppy in 2007, while the Government of Mexico (GOM) reported eradicating 7,784 hectares of opium poppy, a decrease from 2006 levels. The decline in the rates of eradication is at least in part due to the realignment of responsibilities for aerial eradication, as well as higher than normal precipitation during the key growing season.

Controlling Drug-Processing Chemicals

Cocaine and heroin are manufactured with certain critical chemicals, some of which also have licit uses but are diverted by criminals. The most commonly used chemicals in the manufacture of these illegal drugs are potassium permanganate (for cocaine) and acetic anhydride (for heroin). Government controls strive to differentiate between licit commercial use for these chemicals and illicit diversion to criminals. Governments must have efficient legal and regulatory regimes to control such chemicals, without placing undue burdens on legitimate commerce. Extensive international law enforcement

cooperation is also required to prevent their diversion from licit commercial channels, and to investigate, arrest and dismantle the illegal networks engaged in their procurement.

This topic is addressed in greater detail in the Chemical Control Chapter of the INCSR.

Drugs and the Environment

Impact of Drug Cultivation and Processing: Illegal drug production usually takes place in remote areas far removed from the authority of central governments. Not surprisingly, drug criminals practice none of the environmental safeguards that are required for licit industry, and the toxic chemicals used to process raw organic materials into finished drugs are invariably dumped back into sensitive ecosystems with no regard for human health or the costs to the environment. The devastating environmental impact of coca cultivation in the Andean region has been well-documented. Illegal cultivation there has led to the destruction of approximately six million acres of rainforest over the past 20 years. Coca growers routinely slash and burn remote, virgin forestland in the Amazon to make way for their illegal crops; coca growers typically cut down up to 4 hectares of forest for every hectare of coca planted. Tropical rains quickly erode the thin topsoil of the fields, increasing soil runoff, depleting soil nutrients. By destroying timber and other resources that would otherwise be available for more sustainable uses, including medicinal research, illicit coca cultivation decreases biological diversity in one of the most sensitive ecological areas in the world. In Colombia and elsewhere, traffickers also destroy jungle forests to build clandestine landing strips and laboratories for processing raw coca and poppy into cocaine and heroin.

Illicit coca growers use large quantities of highly toxic herbicides and fertilizers on their crops. These chemicals qualify under the U.S. Environmental Protection Agency's highest classification for toxicity (Category I) and are legally restricted for sale within Colombia and the United States. Production of the drugs requires large quantities of dangerous solvents and chemicals. One kilogram of cocaine base requires the use of three liters of concentrated sulfuric acid, 10 kilograms of lime, 60 to 80 liters of kerosene, 200 grams of potassium permanganate, and one liter of concentrated ammonia. These toxic pesticides, fertilizers, and processing chemicals are then dumped into the nearest waterway or on the ground. They saturate the soil and contaminate waterways and poison water systems upon which local human and animal populations rely. In the United States, marijuana-processing operations take place in national parks, especially in California and Texas near the border with Mexico.

Methamphetamine is particularly alarming in its environmental impact. For each pound of methamphetamine produced in clandestine methamphetamine laboratories, five to six pounds of toxic, hazardous waste are generated, posing immediate and long-term environmental health risks, not only to individual homes but to neighborhoods. Poisonous vapors produced during synthesis permeate the walls and carpets of houses and buildings, often making them uninhabitable. Cleaning up these sites in the United States and Mexico requires specialized training and costs thousands of dollars per site.

Impact of Spray Eradication: Colombia is currently the only country that conducts regular aerial spraying of coca and opium poppy, although countries throughout the world regularly spray other crops with herbicides. The only active ingredient in the herbicide used in the aerial eradication program is glyphosate, which has been thoroughly tested in the United States, Colombia, and elsewhere. The U.S. Environmental Protection Agency (EPA) approved glyphosate for general use in 1974 and re-registered it in September 1993. EPA has approved its use on food croplands, forests, residential areas, and around aquatic areas. It is one of the most widely used herbicides in the world, including in Colombian and Ecuadorian commercial farms. Colombia's spray program represents a small fraction of total glyphosate use in the country. Biannual verification missions continue to show that aerial eradication causes no significant damage to the environment or human health. The eradication program follows strict environmental safeguards, monitored permanently by several Colombian government agencies, and adheres to all laws and regulations, including the Colombian

Environmental Management Plan. In addition to the biannual verification missions, soil and water samples are taken before and after spray for analysis. The residues in these samples have never reached a level outside the established norms. The OAS, which published a study in 2005 positively assessing the chemicals and methodologies used in the aerial spray program, is currently conducting further investigations to be completed in early 2008 regarding spray drift and other relevant issues.

Attacking Trafficking Organizations

Law enforcement tactics have grown more sophisticated over the past two decades to counter the sophisticated trafficking networks that transport large volumes of drugs internationally. Rather than measuring progress purely by seizures and numbers of arrests, international law enforcement authorities have increasingly targeted resources against the highest levels of drug trafficking organizations (DTOs). Increasingly, international law enforcement authorities are learning the art of conspiracy investigations, using mutual legal assistance mechanisms and other advanced investigative techniques to follow the evidence to higher and higher levels of leadership within the syndicates, and cooperating on extradition so that the kingpins have no place to hide. These sophisticated law enforcement and legal tools are endorsed as recommended practices within both the 1988 UN Drug Control Convention and the UN Convention against Transnational Organized Crime. This increasingly mainstream approach towards targeting the organizational leadership of drug syndicates and disrupting their lines of control and command is paying great dividends.

The drug trade depends upon reliable and efficient distribution systems to get its product to market. While most illicit distribution systems have short-term back-up channels to compensate for temporary law enforcement disruptions, a network under intense enforcement pressure cannot function for long. In cooperation with law enforcement officials in other nations, our goal is to disrupt and dismantle these organizations, to remove the leadership and the facilitators who launder money and provide the chemicals needed for the production of illicit drugs, and to destroy their networks. By capturing the leaders of trafficking organizations, we demonstrate both to the criminals and to the governments fighting them that even the most powerful drug syndicates are vulnerable to concerted action by international law enforcement authorities.

Mexican drug syndicates continue to oversee much of the drug trafficking in the United States, with a strong presence in most of the primary U.S. distribution centers. The Calderon Administration's courage, initiative and success have exceeded all expectations of cooperation in facing this threat. President Calderon has addressed some of the most basic institutional issues that have traditionally confounded Mexico's success against the cartels, using the military to reestablish sovereign authority and counter the cartels' firepower, moving to establish integrity within the ranks of the police, and pursuing concrete actions that promise to give law enforcement officials and judicial authorities the resources and the legal underpinning they need to succeed. Presidents Bush and the leaders of Central America and Mexico agree that transnational crime is a regional problem, which will require regional solutions. To that end, the Merida Initiative would combine each nation's domestic efforts with broader regional cooperation to multiply the effects of our actions. This partnership would support coordinated strategies to:

- Break the power and impunity of criminal organizations;
- Assist the governments of Mexico and Central America in strengthening border, air, and maritime controls;
- Improve the capacity of justice systems in the region; and
- Curtail gang activity in Mexico and Central America and diminish the demand for drugs in the region

To achieve these goals, President Bush has requested \$1.1 billion to date for Mexico and Central America to provide:

- Non-intrusive inspection equipment, ion scanners, and canine units for Mexican customs, for the new federal police and for the military to interdict trafficked drugs, arms, cash and persons;
- Technologies to improve and secure communications systems to support collecting information as well as ensuring that vital information is accessible for criminal law enforcement;
- Technical advice and training to strengthen the institutions of justice – vetting for the new police force, case management software to track investigations through the system to trial, new offices of citizen complaints and professional responsibility, and establishing witness protection programs;
- Helicopters and surveillance aircraft to support interdiction activities and rapid operational response of law enforcement agencies in Mexico;
- Support to the countries of Central America to continue implementation of the USG's anti-gang strategy; to support specialized vetted units; to strengthen juvenile justice systems and post-prison rehabilitation; to expand community policing; and to support land and maritime drug interdiction.

The Merida Initiative is a foreign assistance program that would complement existing and planned initiatives of U.S. domestic law enforcement agencies engaged with counterparts in each participating country. Strengthening institutions and capacity in partner countries will enable us to act jointly, responding with greater agility, confidence, and speed to the changing tactics of organized crime.

Extradition

There are few legal sanctions that international criminals fear as much as extradition to the United States, where they can no longer use bribes and intimidation to manipulate the local judicial process. Governments willing to risk domestic political repercussions to extradite drug kingpins to the United States are finding that public acceptance of this measure has steadily increased.

Mexican authorities extradited a record 83 fugitives to the United States in 2007, including prominent members of the Gulf Cartel, the sixth consecutive year this number has increased. Colombia has an outstanding record of extradition of drug criminals to the United States, and the numbers have increased even more in recent years. The Government of Colombia extradited a record 135-defendants in 2007, including priority targets Degaberto Florez, Aldemar Rendon Ramirez, the Bernal-Palacios brothers, and Luis Gomez-Bustamante; and AUC paramilitary associate Hector Rodriguez. Overall, 618 individuals have been extradited to the U.S. since December 1997.

Also in 2007, two Afghan drug traffickers with links to the insurgency volunteered to be transported from Afghanistan to stand trial in the United States. The first, Mohammad Essa, was a key heroin distributor for the Haji Baz Mohammad network in the United States. He fled the United States when Baz Mohammad was sent to stand trial in New York. In December 2006, he was apprehended in Kandahar Province by the United States military during a battle with insurgents, and he was voluntarily transferred back to the United States in April 2007. The second was Khan Mohammad, who was a supporter of the insurgency and arrested in Nangarhar Province in October 2006. He was indicted for selling opium and heroin to Afghan law enforcement informants with the understanding that the drugs were destined for the United States. He was voluntarily transferred to the United States in November 2007 and will stand trial in Washington, D.C. Afghanistan and the United States do not

yet have a formal bilateral agreement on extradition, but U.S. justice mentors are working with the Afghan Government to draft a broad extradition law.

Institutional Reform

Fighting Corruption: Among all criminal enterprises, the drug trade is best positioned to spread corruption and undermine the integrity and effectiveness of legitimate governments. Drugs generate illegal revenues on a scale without historical precedent. No commodity is so widely available, so cheap to produce, and as easily renewable as illegal drugs. A kilogram of cocaine can be sold in the United States for more than 15 times its value in Colombia, a return which dwarfs regular commodities and distorts the licit economy.

No government is completely safe from the threat of drug-related corruption, but young democracies are especially vulnerable—particularly fragile democracies in post-conflict situations. The weakening of government institutions through bribery and intimidation ultimately poses just as great a danger to democratic governments as the challenge of armed insurgents. Drug syndicates seek to subvert governments in order to guarantee themselves a secure operating environment. Unchecked, the drug cartels have the wherewithal to buy their way into power. By keeping a focus on eliminating corruption, we can prevent the nightmare of a government entirely manipulated by drug lords from becoming a reality.

Improving Criminal Justice Systems: A pivotal element of USG international drug control policy is to help strengthen enforcement, judicial, and financial institutions worldwide to narrow the opportunities for infiltration and corruption by the drug trade. Corruption within a criminal justice system has enormously detrimental impact; law enforcement agencies in drug source and transit countries may arrest influential drug criminals only to see them released following a questionable or inexplicable decision by a single judge, or a prosecutor may obtain an arrest warrant but be unable to find police who will execute it. As governments work for basic reforms involving transparency, efficiency, and better pay for police and judges, we see systemic improvements.

The USG is continuing its support to Afghanistan to counter the drug trade that threatens stability and economic development as the country emerges from decades of war. Efforts to improve the capability of Afghanistan to investigate, arrest, prosecute, and incarcerate those guilty of narcotics violations are integrated into the overall justice sector strategy that the United States pursues jointly with the Afghan Government and international partners. Together with our international partners, we are training and mentoring Afghanistan's Counternarcotics Criminal Justice Task Force and Central Narcotics Tribunal in Kabul. These efforts are tied into other USG justice assistance programs to build and reform the criminal, commercial, and civil justice systems to establish the rule of law.

Next Steps

The drug trade is fundamentally an illicit business. It enters the legitimate commercial world through its dependence on raw materials, processing chemicals, transportation networks, and its need to launder its profits through legitimate commercial and financial channels. We must intensify our efforts to block the drug business in all these areas, in particular focusing on the financial end because this black market can easily be diverted to fund insurgencies and terrorism, and to undermine the institutions of government. Since governments individually control domestic access to the global financial system, they have the potential, by working together, to make it difficult for drug profits to enter the legitimate international financial system.

However, the international narcotics trade has long demonstrated its ability to adapt to law enforcement constraints, and the drug trade itself also evolves, with the increasing use of synthetic drugs, Internet sales and distribution, state-of-the-art communications and technical and financial

expertise. Even the best alternative livelihoods cannot compete with the financial pressures on, and armed threats to, those who grow illicit crops.

In partnership with key partners and the UN Office of Drugs and Crime, we have made many inroads into the core of key drug trafficking networks, and scored victories in the battle for public understanding of the social and public costs of drug use. Looking back on the 25 years since we first published this report, and on the 20th anniversary of the 1988 UN Convention against Illicit Trafficking in Narcotic Drugs and Psychotropic Substances, we can see tangible improvements in our ability to work with our international partners to increase pressures on the drug trade at every stage of its operations, from cultivation and production to transport and marketing. For the future, we must intensify our efforts to ensure that the 1988 Convention and the follow-up commitments of member states are successfully implemented, and that the potential of this framework for international cooperation is fully realized. Over the long term, such steady progress offers the best hope for transforming a potential threat to the stability of nations into a challenge that governments can manage and defeat.

Demand Reduction

The need for demand reduction is reflected in escalating drug use that takes a devastating toll on health, welfare, safety, security, and economic stability of all nations. Therefore, drug demand reduction is a critical factor in a balanced approach that integrates the principles of supply and demand to drive down drug use and its consequences. Recognizing these challenges, the National Security Presidential Directive (NSPD#25) on International Drug Control Policy, orders the Secretary of State “to expand U.S. international demand reduction assistance and information sharing programs in key source and transit countries”. The NSPD also makes clear that international drug trafficking organizations and their linkage to international terrorist groups constitute a serious threat to U.S. national security by generating illicit funds that increasingly threaten global peace and stability. Therefore, demand reduction assistance has evolved as a key foreign policy tool to address the interconnected threats of drugs, crime, and terrorism, and more recently it is recognized as a key complimentary component in efforts to stop the spread of HIV/AIDS, particularly in countries with high rates of intravenous drug use.

Strong drug-demand reduction policies and programs should address all sectors of society. Nations are no longer the sole masters of their destinies, nations are dependent on one another; global rules and cooperative global behavior are needed, given the “globalization” aspects of a modern economy. Consequently, recognizing the extensive U.S. experience in reducing drug demand, through successful evidence-based programs, foreign countries are requesting INL-sponsored technical assistance on demand reduction programming, since drug consumption also has debilitating effects on their society and children. Our response has been a comprehensive and coordinated approach in which supply control and demand reduction reinforce each other. Such assistance plays an important role in helping to preserve the stability of societies threatened by the narcotics trade.

Our demand reduction strategy encompasses a wide range of initiatives to address the societal and national security threats posed by the illicit drug trade. These include efforts to prevent the onset of use, intervention at “critical decision points” in the lives of vulnerable populations to prevent both first use and further use, and effective treatment programs for the addicted. Other aspects encompass education and community coalition development efforts to increase public awareness and mobilize society to counter the deleterious consequences of drug use/abuse. This latter effort involves the development of coalitions of private/public social institutions, the faith community, and law enforcement entities to mobilize national and international opinion against the drug trade and to encourage governments to develop and implement strong counternarcotics policies and programs. The demand reduction program also provides for evaluations of the effectiveness of these efforts and for “best practice” research studies to use these findings to improve similar efforts in the U.S. and around the world.

During 2007, INL continued to provide training and technical assistance at various locations throughout the world on topics such as, combating violence against women through substance abuse treatment. This training takes into account the unique needs of female drug addicts, and provides substance abuse treatment training and technical assistance, which addresses women’s treatment issues and related violence.

- Afghanistan – creation of five substance abuse treatment programs to address women’s needs. This initiative included training of women counselors in counseling techniques, family therapy, and formation of support group networks.

- El Salvador – enhancements to corrections- and community-based treatment programs to address the overlapping challenges of male and female drug abuse, gang membership and related violence.
- Philippines – creation of substance abuse units in female correctional facilities and help with the formation of community-based institutions.
- Peru – creation of model substance abuse treatment programs for female adolescents and street kids at high risk for drug abuse and sexual/physical violence.
- Brazil – creation of an outreach center for 245 high-risk youth whose parents are drug abusing prostitutes, including plans for the creation of a model drug treatment center for women and their children (first such facility in Latin America).
- Thailand – creation of substance abuse treatment programs for female addicts. A science-based, outcome evaluation of these programs revealed that overall drug use was reduced from 92 percent of targeted patients to 10 percent and methamphetamine abuse was reduced from 90 percent to 10 percent (pre- and post treatment).

As a cornerstone of a strong demand reduction strategy, and with the understanding that local problems need local solutions, INL also provided the necessary funding for training assistance targeting counternarcotics community coalitions working toward reducing substance abuse among youth, and strengthening the collaboration among organizations and agencies in the public and private sectors. Consequently, training programs were conducted in El Salvador, Peru, and Colombia, covering the promotion of sound drug policy and science-based drug prevention programming.

In addition, INL funded staff training at the juvenile correction system in Sao Paulo, Brazil for drug abusing and other criminal populations on the fundamental principles of the therapeutic community (TC). The TC has especially been adapted globally as a successful treatment intervention for juvenile populations with substance abuse, behavioral, and personality disorders that are commonly found in prison settings. Prison programs, which adhere to many elements of the therapeutic community treatment program have been scientifically shown to be successful in significantly reducing criminal recidivism and facilitating better reintegration into society by inmates.

INL is also funding the Creation of Muslim-based Anti-Drug Outreach Centers with the intent to develop a series of community-based outreach centers in volatile regions where the U.S. has little or no direct access to civil society such as Afghanistan, southern Philippines, Indonesia, and remote sections of Pakistan. This initiative is designed to significantly enhance America's image in Muslim countries, reduce drug consumption that fuels the coffers of terrorist organizations, reduce drug-related violence, cut into the recruitment base of terrorist organizations, and provide youth in at-risk areas with alternatives to radical or terrorist indoctrination. It addresses a key priority in the President's National Strategy for Combating Terrorism through support of Muslim organizations "ensuring them that American values are not at odds with Islam." This initiative includes collaboration with the INL-supported network of 400 Muslim-based Anti-Drug programs.

Methodology for Estimating Illegal Drug Production

How Much Do We Know? The INCSR contains a variety of illicit drug-related data. These numbers represent the United States Government's best effort to sketch the current dimensions of the international drug problem. Some numbers are more certain than others. Drug cultivation figures are relatively hard data derived by proven means, such as imagery with ground truth confirmation. Other numbers, such as crop production and drug yield estimates, become softer as more variables come into play. As we do every year, we publish these data with an important caveat: the yield figures are potential, not final numbers. Although they are useful for determining trends, even the best are ultimately approximations.

Each year, we revise our estimates in the light of field research. The clandestine, violent nature of the illegal drug trade makes such field research difficult. Geography is also an impediment, as the harsh terrain on which many drugs are cultivated is not always easily accessible. This is particularly relevant given the tremendous geographic areas that must be covered, and the difficulty of collecting reliable information over diverse and treacherous terrain.

What We Know With Reasonable Certainty. The number of hectares under cultivation during any given year is our most solid statistic. For nearly twenty years, the United States Government has estimated the extent of illicit cultivation in a dozen nations using proven statistical methods similar to those used to estimate the size of licit crops at home and abroad. We can therefore estimate the extent of cultivation with reasonable accuracy.

What We Know With Less Certainty. How much of a finished product a given area will produce is difficult to estimate. Small changes in factors such as soil fertility, weather, farming techniques, and disease can produce widely varying results from year to year and place to place. To add to our uncertainty, most illicit drug crop areas are not easily accessible to the United States Government, making scientific information difficult to obtain. Therefore, we are estimating the potential crop available for harvest. Not all of these estimates allow for losses, which could represent up to a third or more of a crop in some areas for some harvests. The value in estimating the size of the potential crop is to provide a consistent basis for a comparative analysis from year to year.

Harvest Estimates. We have gradually improved our yield estimates. Our confidence in coca leaf yield estimates, as well as in the finished product, has risen in the past few years, based upon the results of field studies conducted in Latin America. In all cases, however, multiplying average yields times available hectares indicates only the potential, not the actual final drug crop available for harvest. The size of the harvest depends upon the efficiency of farming practices and the wastage caused by poor practices or difficult weather conditions during and after harvest. Up to a third or more of a crop may be lost in some areas during harvests.

In addition, mature coca (two to six years old) is more productive than immature or aging coca. Variations such as these can dramatically affect potential yield and production. Additional information and analysis is allowing us to make adjustments for these factors. Similar deductions for local consumption of unprocessed coca leaf and opium may be possible as well through the accumulation of additional information and research.

Processing Estimates. The wide variation in processing efficiency achieved by traffickers complicates the task of estimating the quantity of cocaine or heroin that could be refined from a crop. Differences in the origin and quality of the raw material used, the technical processing method employed, the size

and sophistication of laboratories, the skill and experience of local workers and chemists, and decisions made in response to enforcement pressures obviously affect production.

Figures Change as Techniques and Data Quality Improve. Each year, research produces revisions to United States Government estimates of potential drug production. This is typical of annualized figures for most other areas of statistical tracking that must be revised year to year, whether it be the size of the U.S. wheat crop, population figures, or the unemployment rate. For the present, these illicit drug statistics represent the state of the art. As new information becomes available and as the art improves so will the precision of the estimates.

Worldwide Illicit Drug Cultivation

2002-2007 (all figures in hectares)

	2007	2006	2005	2004	2003	2002
Poppy						
Afghanistan	202000	172600	107400	206700	61000	30750
Burma	21700	21000	40000	36000	47130	77700
China						
Colombia ¹	in process	2300		2100	4400	4900
Guatemala			100	330		
India						
Iran						
Laos	1100	1700	5600	10000	18900	23200
Lebanon						
Mexico	in process	5000	3300	3500	4800	2700
Pakistan ²		984	769		1714	213
Thailand						750
Vietnam						1000
Total Poppy	224800	203584	157169	258630	137944	141213
Coca						
Bolivia	in process	25800	26500	24600	23200	21600
Colombia ³	in process	157200	144000	114100	113850	144450
Peru ⁴	in process	37000	34000	27500	29250	34700
Total Coca	0	220000	204500	166200	166300	200750
Cannabis						
Lebanon						
Mexico	in process	8600	5600	5800	7500	4400
Total Cannabis	0	8600	5600	5800	7500	4400

¹ In 2007, the survey areas were reduced. The 2005 survey could not be conducted due to cloud-cover. The 2000 survey could not be conducted due to cloud-cover; the reported number is a weighted average of previous years' cultivation.

² The 2005 and 2006 surveys included only the Bara River Valley growing area. No estimate was produced in 2002, but cultivation was observed.

³ Survey areas were expanded greatly between 2004 and 2005, and to a lesser extent between 2005 and 2006.

⁴ In the 2006 survey, one growing area could not be completed due to insufficient imagery collection and the value is not comparable to others. In 2007, CNC revised the 2005 value due to discovery of an error in the cultivation data. Survey areas were expanded between 2004 and 2005.

Worldwide Potential Illicit Drug Production

2002-2007 (all figures in Metric Tons)

	2007	2006	2005	2004	2003	2002
Opium						
Afghanistan	8000	5644	4475	4950	2865	1278
Burma	270	230	380	330	484	630
China						
Colombia ¹	in process	37		30	63	68
Guatemala			4	12		
India						
Iran						
Laos	5.5	8.5	28	50	200	180
Lebanon						
Mexico	in process	108	71	73	101	58
Pakistan ²		36	32		44	4.3
Thailand						9
Vietnam						10
Total Opium	8275.5	6063.5	4990	5445	3757	2237.3
Coca Leaf						
Bolivia	in process	37000	36000	37000	33000	35000
Colombia	in process	152000	136800	108000	115500	147900
Peru	in process	50000	52000	47900	51200	58300
Total Coca Leaf	0	239000	224800	192900	199700	241200
Potential Pure Cocaine						
Bolivia ³	in process	115	115	115	100	110
Colombia ⁴	in process	610	545	430	460	585

¹ In 2007, the survey areas were reduced. The 2005 survey could not be conducted due to cloud-cover. The 2000 survey could not be conducted due to cloud-cover. The reported number is a weighted average of previous years' cultivation.

² The 2005 and 2006 surveys included only the Bara River Valley growing area.

³ In 2006, CNC revised the 2001-05 values due to new yield information.

⁴ Survey areas were expanded greatly between 2004 and 2005, and to a lesser extent between 2005 and 2006.

Peru ¹	in process	245	250	230	245	280
Total Potential Pure Cocaine	0	970	910	775	805	975
Cannabis						
Lebanon (hashish)						
Mexico (marijuana)	in process	15500	10100	10400	13500	7900
Total Cannabis	0	15500	10100	10400	13500	7900

¹ In the 2006 survey, one growing area could not be completed due to insufficient imagery collection and the value is not comparable to others. In 2007, CNC revised the 2005 value due to discovery of an error in the cultivation data. Survey areas were expanded between 2004 and 2005. In 2007, CNC revised the 2001-05 values to reflect new yield numbers for immature fields.

Parties to the 1988 UN Convention

Country	Date Signed	Date Became a Party
1. Afghanistan	20 December 1988	14 February 1992
2. Albania	Accession	27 June 2001
3. Algeria	20 December 1988	9 May 1995
4. Andorra	Accession	23 July 1999
5. Angola	Accession	26 October 2005
6. Antigua and Barbuda	Accession	5 April 1993
7. Argentina	20 December 1988	28 June 1993
8. Armenia	Accession	13 September 1993
9. Australia	14 February 1989	16 November 1992
10. Austria	25 September 1989	11 July 1997
11. Azerbaijan	Accession	22 September 1993
12. Bahamas	20 December 1988	30 January 1989
13. Bahrain	28 September 1989	7 February 1990
14. Bangladesh	14 April 1989	11 October 1990
15. Barbados	Accession	15 October 1992
16. Belarus	27 February 1989	15 October 1990
17. Belgium	22 May 1989	25 October 1995
18. Belize	Accession	24 July 1996
19. Benin	Accession	23 May 1997
20. Bhutan	Accession	27 August 1990
21. Bolivia	20 December 1988	20 August 1990
22. Bosnia and Herzegovina	Succession	01 September 1993
23. Botswana	Accession	13 August 1996
24. Brazil	20 December 1988	17 July 1991
25. Brunei Darussalam	26 October 1989	12 November 1993
26. Bulgaria	19 May 1989	24 September 1992
27. Burkina Faso	Accession	02 June 1992
28. Burundi	Accession	18 February 1993
29. Cambodia	Accession	7 July 2005
30. Cameroon	27 February 1989	28 October 1991
31. Canada	20 December 1988	05 July 1990
32. Cape Verde	Accession	08 May 1995
33. Central African Republic	Accession	15 October 2001
34. Chad	Accession	09 June 1995
35. Chile	20 December 1988	13 March 1990
36. China	20 December 1988	25 October 1989
37. Colombia	20 December 1988	10 June 1994
38. Comoros	Accession	1 March 2000
39. Congo, Democratic Republic of	20 December 1988	28 October 2005
40. Costa Rica	25 April 1989	8 February 1991
41. Cote d'Ivoire	20 December 1988	25 November 1991
42. Croatia	Succession	26 July 1993
43. Cuba	7 April 1989	12 June 1996
44. Cyprus	20 December 1988	25 May 1990
45. Czech Republic	Succession	30 December 1993
46. Democratic People's Republic of Korea	Accession	19 March 2007
47. Denmark	20 December 1988	19 December 1991
48. Djibouti	Accession	22 February 2001

Country	Date Signed	Date Became a Party
49. Dominica	Accession	30 June 1993
50. Dominican Republic	Accession	21 September 1993
51. Ecuador	21 June 1989	23 March 1990
52. Egypt	20 December 1988	15 March 1991
53. El Salvador	Accession	21 May 1993
54. Eritrea	Accession	30 January 2002
55. Estonia	Accession	12 July 2000
56. Ethiopia	Accession	11 October 1994
57. European Economic Community	8 June 1989	31 December 1990
58. Fiji	Accession	25 March 1993
59. Finland	8 February 1989	15 February 1994
60. France	13 February 1989	31 December 1990
61. Gambia	Accession	23 April 1996
62. Georgia	Accession	8 January 1998
63. Germany	19 January 1989	30 November 1993
64. Ghana	20 December 1988	10 April 1990
65. Greece	23 February 1989	28 January 1992
66. Grenada	Accession	10 December 1990
67. Guatemala	20 December 1988	28 February 1991
68. Guinea	Accession	27 December 1990
69. Guinea-Bissau	Accession	27 October 1995
70. Guyana	Accession	19 March 1993
71. Haiti	Accession	18 September 1995
72. Honduras	20 December 1988	11 December 1991
73. Hungary	22 August 1989	15 November 1996
74. Iceland	Accession	2 September 1997
75. India	Accession	27 March 1990
76. Indonesia	27 March 1989	23 February 1999
77. Iran	20 December 1988	7 December 1992
78. Iraq	Accession	22 July 1998
79. Ireland	14 December 1989	3 September 1996
80. Israel	20 December 1988	20 May 2002
81. Italy	20 December 1988	31 December 1990
82. Jamaica	2 October 1989	29 December 1995
83. Japan	19 December 1989	12 June 1992
84. Jordan	20 December 1988	16 April 1990
85. Kazakhstan	Accession	29 April 1997
86. Kenya	Accession	19 October 1992
87. Korea	Accession	28 December 1998
88. Kuwait	2 October 1989	3 November 2000
89. Kyrgyz Republic	Accession	7 October 1994
90. Lao Peoples Democratic Republic	Accession	1 October 2004
91. Latvia	Accession	24 February 1994
92. Lebanon	Accession	11 March 1996
93. Lesotho	Accession	28 March 1995
94. Liberia	Accession	16 September 2005
95. Libyan Arab Jamahiriya	Accession	22 July 1996
96. Liechtenstein	Accession	9 March 2007
97. Lithuania	Accession	8 June 1998
98. Luxembourg	26 September 1989	29 April 1992
99. Macedonia, Former Yugoslav Rep.	Accession	18 October 1993
100. Madagascar	Accession	12 March 1991

Policy and Program Development

Country	Date Signed	Date Became a Party
101. Malawi	Accession	12 October 1995
102. Malaysia	20 December 1988	11 May 1993
103. Maldives	5 December 1989	7 September 2000
104. Mali	Accession	31 October 1995
105. Malta	Accession	28 February 1996
106. Mauritania	20 December 1988	1 July 1993
107. Mauritius	20 December 1988	6 March 2001
108. Mexico	16 February 1989	11 April 1990
109. Micronesia, Federal States of	Accession	6 July 2004
110. Moldova	Accession	15 February 1995
111. Monaco	24 February 1989	23 April 1991
112. Mongolia	Accession	25 June 2003
113. Morocco	28 December 1988	28 October 1992
114. Mozambique	Accession	8 June 1998
115. Myanmar (Burma)	Accession	11 June 1991
116. Nepal	Accession	24 July 1991
117. Netherlands	18 January 1989	8 September 1993
118. New Zealand	18 December 1989	16 December 1998
119. Nicaragua	20 December 1988	4 May 1990
120. Niger	Accession	10 November 1992
121. Nigeria	1 March 1989	1 November 1989
122. Norway	20 December 1988	14 November 1994
123. Oman	Accession	15 March 1991
124. Pakistan	20 December 1988	25 October 1991
125. Panama	20 December 1988	13 January 1994
126. Paraguay	20 December 1988	23 August 1990
127. Peru	20 December 1988	16 January 1992
128. Philippines	20 December 1988	7 June 1996
129. Poland	6 March 1989	26 May 1994
130. Portugal	13 December 1989	3 December 1991
131. Qatar	Accession	4 May 1990
132. Romania	Accession	21 January 1993
133. Russia	19 January 1989	17 December 1990
134. Rwanda	Accession	13 May 2002
135. St. Kitts and Nevis	Accession	19 April 1995
136. St. Lucia	Accession	21 August 1995
137. St. Vincent and the Grenadines	Accession	17 May 1994
138. Samoa	Accession	19 August 2005
139. San Marino	Accession	10 October 2000
140. Sao Tome and Principe	Accession	20 June 1996
141. Saudi Arabia	Accession	9 January 1992
142. Senegal	20 December 1988	27 November 1989
143. Seychelles	Accession	27 February 1992
144. Sierra Leone	9 June 1989	6 June 1994
145. Singapore	Accession	23 October 1997
146. Slovakia	Succession	28 May 1993
147. Slovenia	Succession	6 July 1992
148. South Africa	Accession	14 December 1998
149. Spain	20 December 1988	13 August 1990
150. Sri Lanka	Accession	6 June 1991
151. Sudan	30 January 1989	19 November 1993
152. Suriname	20 December 1988	28 October 1992

Country	Date Signed	Date Became a Party
153. Swaziland	Accession	3 October 95
154. Sweden	20 December 1988	22 July 1991
155. Switzerland	16 November 1989	14 September 2005
156. Syria	Accession	3 September 1991
157. Tajikistan	Accession	6 May 1996
158. Thailand	Accession	3 May 2002
159. Tanzania	20 December 1988	17 April 1996
160. Togo	3 August 1989	1 August 1990
161. Tonga	Accession	29 April 1996
162. Trinidad and Tobago	7 December 1989	17 February 1995
163. Tunisia	19 December 1989	20 September 1990
164. Turkey	20 December 1988	2 April 1996
165. Turkmenistan	Accession	21 February 1996
166. UAE	Accession	12 April 1990
167. Uganda	Accession	20 August 1990
168. Ukraine	16 March 1989	28 August 1991
169. United Kingdom	20 December 1988	28 June 1991
170. United States	20 December 1988	20 February 1990
171. Uruguay	19 December 1989	10 March 1995
172. Uzbekistan	Accession	24 August 1995
173. Venezuela	20 December 1988	16 July 1991
174. Vietnam	Accession	4 November 1997
175. Yemen	20 December 1988	25 March 1996
176. Yugoslavia	20 December 1988	3 January 1991
177. Zambia	9 February 1989	28 May 1993
178. Zimbabwe	Accession	30 July 1993
Signed but Pending Ratification		
1. Gabon	20 December 1989	
2. Holy See	20 December 1988	Not UN member
3. Zaire	20 December 1988	
Other		
1. Anguilla		Not UN member
2. Aruba		Not UN member
3. Bermuda		
4. BVI		Not UN member
5. Congo		
6. Djibouti		
7. Hong Kong		Not UN member
8. Marshall Islands		
9. Namibia		
10. Papua New Guinea		
11. Taiwan		Not UN member
12. Turks & Caicos		Not UN member
13. Vanuatu		

USG ASSISTANCE

Department of State (INL) Budget

FY 07—09 Budget Spread (\$000)

	FY 2007 Actual	FY 2007 Supp	FY 2008 Enacted	FY 2008 Supp	FY 2009 President's Request
ACP Country Programs					
Bolivia Total	66,000	0	29,757	0	31,000
<i>Interdiction/Eradication</i>	<i>35,000</i>	<i>0</i>	<i>29,757</i>	<i>0</i>	<i>31,000</i>
<i>Alter.Dev./Inst.Building</i>	<i>31,000</i>	<i>0</i>		<i>0</i>	
Colombia Total	465,000	0	244,618	0	329,557
<i>Interdiction/Eradication</i>	<i>298,930</i>	<i>0</i>	<i>244,618</i>	<i>0</i>	<i>325,107</i>
<i>Alter.Dev./Inst.Building</i>	<i>139,920</i>	<i>0</i>		<i>0</i>	<i>0</i>
<i>Rule of Law</i>	<i>26,150</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>4,450</i>
Ecuador Total	17,300	0	6,943	0	7,200
<i>Interdiction/Eradication</i>	<i>8,900</i>	<i>0</i>	<i>6,943</i>	<i>0</i>	<i>7,200</i>
<i>Alter.Dev./Inst.Building</i>	<i>8,400</i>	<i>0</i>		<i>0</i>	
Peru Total	103,165	0	36,546	0	37,000
<i>Interdiction/Eradication</i>	<i>56,000</i>	<i>0</i>	<i>36,546</i>	<i>0</i>	<i>37,000</i>
<i>Alter.Dev./Inst.Building</i>	<i>47,165</i>	<i>0</i>		<i>0</i>	<i>0</i>
Brazil	4,000	0	992	0	1,000
Critical Flight Safety Program	61,035	0	0	0	0
Panama	4,000	0	992	0	1,000
Venezuela	1,000	0	0	0	0
Subtotal Andean Counterdrug Program	721,500	0	319,848	0	406,757
Africa					
Africa Regional	500	0	0	0	2,500
Burkina Faso	0	0	0	0	100
Cape Verde	0	0	496	0	500
Democratic Republic of Congo	0	0	1,488	0	1,700
Djibouti	0	0	298	0	300
Ethiopia	0	0	0	0	500
Ghana	0	0	496	0	500
Guinea	0	0	0	0	100
Guinea-Bissau	0	0	0	0	100
Kenya	0	0	0	0	100

DoS Narcotics Budget

Liberia	1,000	0	4,096	0	4,130
Mauritania	0	0	0	0	300
Mozambique	0	0	0	0	300
Nigeria	400	0	1,190	0	1,200
Sierra Leone	0	0	0	0	250
South Africa	500	0	0	0	0
Sudan	9,800	0	13,578	0	24,000
Tanzania	0	0	0	0	450
Uganda	0	0	0	0	350
Women's Justice Empowerment Initiative	7,500	0	0	0	0
Subtotal, Africa	19,700	0	21,642	0	37,380
East Asia and the Pacific					
Burma	350	0	0	0	0
China	0	0	0	0	600
Timor-Leste	0	0	20	0	1,010
Indonesia	4,550	0	6,150	0	9,450
Laos	900	0	1,567	0	1,000
Malaysia	0	0	0	0	400
Mongolia	0	0	0	0	420
Philippines	1,700	0	794	0	1,150
East Asia and Pacific Regional	0	0	0	0	300
Thailand	900	0	1,686	0	1,400
Vietnam	0	0	0	0	200
Subtotal, East Asia and the Pacific	8,400	0	10,217	0	15,930
Europe					
Turkey	0	0	298	0	300
Subtotal, Europe	0	0	298	0	300
Near East					
Algeria	0	0	198	0	0
Egypt	0	0	1,984	0	3,000
Iraq	20,048	150,000	0	159,000	75,000
Jordan	0	0	1,488	0	1,500

DoS Narcotics Budget

Lebanon	0	60,000	496	0	6,000
Morocco	1,000	0	496	0	1,000
Tunisia	0	0	198	0	0
West Bank/Gaza	0	0	0	25,000	25,000
Yemen	0	0	496	0	750
Subtotal, Near East	21,048	210,000	5,356	184,000	112,250
South Asia					
Afghanistan	209,740	42,000	272,574	0	250,000
Bangladesh	0	0	198	0	800
India	0	0	0	0	400
Nepal	0	0	30	0	10,000
Pakistan	24,000	0	21,822	0	32,000
Sri Lanka	0	0	20	0	350
Subtotal—South Asia	233,740	42,000	294,644	0	293,550
Western Hemisphere					
Argentina	0	0	198	0	305
Bahamas	500	0	496	0	500
Bolivia	0	0	397	0	0
Caribbean and Central America (Transit Zone)	1,700	0	0	0	0
Merida Initiative (Central America)	0	0	0	50,000	100,000
Merida Initiative (Mexico)	0	0	0	500,000	450,000
Chile	0	0	99	0	0
Colombia (Rule of Law/Judicial/Human Rights)	0	0	39,428	0	0
Colombia—Transfer from ACP for CNP Eradication Support	0	0	2,479	0	0
Dominican Republic	0	0	992	0	1,150
Eastern Caribbean	0	0	496	0	500
Ecuador	0	0	99	0	0
El Salvador	0	0	744	0	800
Guatemala	2,200	0	3,472	0	5,320
Haiti	14,850	0	8,927	0	15,000
Honduras	0	0	744	0	750
Jamaica	900	0	992	0	1,010

DoS Narcotics Budget

Mexico	36,678	0	26,553	0	27,816
Nicaragua	0	0	972	0	1,600
Paraguay	0	0	278	0	300
Southern Cone	500	0	0	0	0
Trinidad and Tobago	0	0	397	0	500
Subtotal, Western Hemisphere	57,328	0	87,763	550,000	605,551
Global					
Criminal Youth Gangs	0	0	7,935	0	5,000
Demand Reduction/Drug Awareness	8,000	0	11,903	0	3,500
International Organizations					4,500
CICAD	1,400	0	1,407	0	0
UNODC	4,000	0	2,110	0	0
USEU	0	0	450	0	0
Interregional Aviation Support	63,000	0	54,654	0	55,100
Trafficking in Persons	5,000	0	5,951	0	7,767
INL Anticrime Programs	13,500	0	11,903	0	14,000
Alien Smuggling/Border Security	1,250	0	992	0	0
Cyber Crime, IPR and CIP	3,750	0	3,472	0	0
Fighting Corruption	4,500	0	3,967	0	0
Financial Crimes/Money Laundering/CT	4,000	0	3,472	0	0
Global Peacekeeping Operations					4,000
Civilian Police Program	2,000	0	1,984	0	6,000
ILEA Operations	16,500	0	18,846	0	17,000
Subtotal, Global	113,400	0	117,143	0	116,867
PD&S	19,000	0	19,342	0	20,233
Subtotal, INCLE	472,616	252,000	556,405	734,000	1,202,061
TOTAL INL PROGRAMS	1,194,116	252,000	876,253	734,000	1,608,818

International Training

International counternarcotics training is managed/funded by INL and carried out by the DEA, U.S. Customs and Border Service, and U.S. Coast Guard. Major objectives are:

- Contributing to the basic infrastructure for carrying out counternarcotics law enforcement activities in countries which cooperate with and are considered significant to U.S. narcotics control efforts;
- Improving technical skills of drug law enforcement personnel in these countries; and
- Increasing cooperation between U.S. and foreign law enforcement officials.

INL training continues to focus on encouraging foreign law enforcement agency self-sufficiency through infrastructure development. The effectiveness of our counternarcotics efforts overseas should be viewed in terms of what has been done to bring about the establishment of effective host country enforcement institutions, thereby taking drugs out of circulation before they begin their journey toward the United States. U.S. law enforcement personnel stationed overseas are increasingly coming to see their prime responsibility as promoting the creation of host government systems that are compatible with and serve the same broad goals as ours.

The regional training provided at the ILEAs consists of both general law enforcement training as well as specialized training for mid-level managers in police and other law enforcement agencies.

INL-funded training will continue to support the major U.S. and international strategies for combating narcotics trafficking worldwide. Emphasis will be placed on contributing to the activities of international organizations, such as the UNODC and the OAS. Through the meetings of major donors, the Dublin Group, UNODC and other international fora, we will coordinate with other providers of training, and urge them to shoulder greater responsibility in providing training, which serves their particular strategic interests.

INL will maintain its role of coordinating the activities of U.S. law enforcement agencies in response to requests for assistance from U.S. Embassies. This will avoid duplication of effort and ensure that presentations represent the full range of USG policies and procedures.

International Law Enforcement Academies (ILEAs)

The mission of the regional ILEAs has been to support emerging democracies, help protect U.S. interests through international cooperation, and promote social, political and economic stability by combating crime. To achieve these goals, the ILEA program has provided high-quality training and technical assistance, supported institution building and enforcement capability, and fostered relationships of American law enforcement agencies with their counterparts in each region. ILEAs have also encouraged strong partnerships among regional countries, to address common problems associated with criminal activity.

The ILEA concept and philosophy is a united effort by all the participants—government agencies and ministries, trainers, managers, and students alike—to achieve the common foreign policy goal of international law enforcement. The goal is to train professionals that will craft the future for the rule of law, human dignity, personal safety and global security.

The ILEAs are a progressive concept in the area of international assistance programs. The regional ILEAs offer three different types of programs. The Core program, a series of specialized training courses and regional seminars tailored to region-specific needs and emerging global threats,

typically includes 50 participants, normally from three or more countries. The Specialized courses, comprised of about 30 participants, are normally one or two weeks long and often run simultaneously with the Core program. Lastly, topics of the Regional Seminars include transnational crimes, financial crimes, and counterterrorism.

The ILEAs help develop an extensive network of alumni that exchange information with their U.S. counterparts and assist in transnational investigations. These graduates are also expected to become the leaders and decision-makers in their respective societies. The Department of State works with the Departments of Justice (DOJ), Homeland Security (DHS) and Treasury, and with foreign governments to implement the ILEA programs. To date, the combined ILEAs have trained over 18,000 officials from over 75 countries in Africa, Asia, Europe and Latin America. The ILEA budget averages approximately \$16-18 million annually.

Africa. ILEA Gaborone (Botswana) opened in 2001. The main feature of the ILEA is a six-week intensive personal and professional development program, called the Law Enforcement Executive Development Program (LEEDP), for law enforcement mid-level managers. The LEEDP brings together approximately 45 participants from several nations for training on topics such as combating transnational criminal activity, supporting democracy by stressing the rule of law in international and domestic police operations, and by raising the professionalism of officers involved in the fight against crime. ILEA Gaborone also offers specialized courses for police and other criminal justice officials to enhance their capacity to work with U.S. and regional officials to combat international criminal activities. These courses concentrate on specific methods and techniques in a variety of subjects, such as counterterrorism, anti-corruption, financial crimes, border security, drug enforcement, firearms and many others.

Instruction is provided to participants from Angola, Botswana, Lesotho, Malawi, Mauritius, Mozambique, Namibia, Seychelles, South Africa, Swaziland, Tanzania, Zambia, Djibouti, Ethiopia, Kenya, Uganda, Nigeria, Cameroon, Comoros, Congo, the Democratic Republic of Congo, Gabon and Madagascar.

United States and Botswana trainers provide instruction. ILEA Gaborone has offered specialized courses on money laundering/terrorist financing-related topics such as Criminal Investigation (presented by FBI) and International Banking & Money Laundering Program (presented by DHS/FLETC Federal Law Enforcement Training Center). ILEA Gaborone trains approximately 500 students annually.

Asia. ILEA Bangkok (Thailand) opened in March 1999. The ILEA focuses on enhancing the effectiveness of regional cooperation against the principal transnational crime threats in Southeast Asia—illicit drug-trafficking, financial crimes, and alien smuggling. The ILEA provides a Core course (the Supervisory Criminal Investigator Course or SCIC) of management and technical instruction for supervisory criminal investigators and other criminal justice managers. In addition, this ILEA presents one Senior Executive program and about 18 specialized courses—lasting one to two weeks—in a variety of criminal justice topics. The principal objectives of the ILEA are the development of effective law enforcement cooperation within the member countries of the Association of Southeast Asian Nations (ASEAN), East Timor and China (including Hong Kong and Macau), and the strengthening of each country's criminal justice institutions to increase their abilities to cooperate in the suppression of transnational crime.

Instruction is provided to participants from Brunei, Cambodia, East Timor, China, Hong Kong, Indonesia, Laos, Macau, Malaysia, Philippines, Singapore, Thailand and Vietnam. Subject matter experts from the United States, Thailand, Japan, Netherlands, Philippines and Hong Kong provide instruction. ILEA Bangkok has offered specialized courses on money laundering/terrorist financing-related topics such as Computer Crime Investigations (presented by FBI and DHS/Bureau of Customs and Border Protection (BCBP)) and Complex Financial Investigations

(presented by IRS, DHS/BCBP, FBI and DEA). Total annual student participation is approximately 600.

Europe. ILEA Budapest (Hungary) opened in 1995. Its mission has been to support the region's emerging democracies by combating an increase in criminal activity that emerged against the backdrop of economic and political restructuring following the collapse of the Soviet Union. ILEA Budapest offers three different types of programs: an eight-week Core course, Regional Seminars and Specialized courses in a variety of criminal justice topics. Instruction is provided to participants from Albania, Armenia, Azerbaijan, Bulgaria, Croatia, Czech Republic, Estonia, Georgia, Hungary, Kazakhstan, Kyrgyz Republic, Latvia, Lithuania, Macedonia, Moldova, Montenegro, Poland, Romania, Russia, Serbia, Slovakia, Slovenia, Tajikistan, Turkmenistan, Ukraine and Uzbekistan.

Trainers from 17 federal agencies and local jurisdictions from the United States and also from Hungary, Canada, Germany, United Kingdom, Netherlands, Ireland, Italy, Russia, Interpol and the Council of Europe provide instruction. ILEA Budapest has offered specialized courses on money laundering/terrorist financing-related topics such as Investigating/Prosecuting Organized Crime and Transnational Money Laundering (both presented by DOJ/OPDAT). ILEA Budapest trains approximately 950 students annually.

Global. ILEA Roswell (New Mexico) opened in September 2001. This ILEA offers a curriculum comprised of courses similar to those provided at a typical Criminal Justice university/college. These three-week courses have been designed and are taught by academicians for foreign law enforcement officials. This Academy is unique in its format and composition with a strictly academic focus and a worldwide student body. The participants are mid-to-senior level law enforcement and criminal justice officials from Eastern Europe; Russia; the Newly Independent States (NIS); Association of Southeast Asian Nations (ASEAN) member countries; and the People's Republic of China (including the Special Autonomous Regions of Hong Kong and Macau); and member countries of the Southern African Development Community (SADC) plus other East and West African countries; the Caribbean, Central and South American countries. The students are drawn from pools of ILEA graduates from the Academies in Bangkok, Budapest, Gaborone and San Salvador. ILEA Roswell trains approximately 450 students annually.

Latin America. ILEA San Salvador was established in 2005. The training program for the newest ILEA is similar to the ILEAs in Bangkok, Budapest and Gaborone and will offer a six-week Law Enforcement Management Development Program (LEMDP) for law enforcement and criminal justice officials as well as specialized courses for police, prosecutors, and judicial officials. In 2007, ILEA San Salvador will deliver three LEMDP sessions and about 10 Specialized courses that will concentrate on attacking international terrorism, illegal trafficking in drugs, alien smuggling, terrorist financing, financial crimes, culture of lawfulness and accountability in government.

Components of the six-week LEMDP training session will focus on terrorist financing (presented by the FBI), international money laundering (presented by DHS/ICE/Immigration and Customs Enforcement) and financial evidence/money laundering application (presented by DHS/FLETC and IRS). The Specialized course schedule will include courses on financial crimes investigations (presented by DHS/ICE) and money laundering training (presented by IRS). Instruction is provided to participants from: Argentina, Barbados, Bahamas, Belize, Bolivia, Brazil, Chile, Colombia, Costa Rica, Dominican Republic, El Salvador, Guatemala, Honduras, Jamaica, Nicaragua, Panamá, Paraguay, Perú, Trinidad and Tobago, Uruguay and Venezuela.

The ILEA Regional Training Center located in Peru will officially open in 2007. The center will augment the delivery of region-specific training for Latin America and will concentrate on specialized courses on critical topics for countries in the Southern Cone and Andean Regions.

Drug Enforcement Administration

The primary responsibility of the Drug Enforcement Administration (DEA) is to reduce the threat posed to our nation by illicit narcotics through vigorous law enforcement. The majority of illegal drugs impacting American society are produced outside of the U.S. and smuggled into our country. These illegal drugs are smuggled from their country of origin and often transit other nations before arriving in the U.S. Thus, a strong international commitment to counter narcotics law enforcement is required to effectively blunt this menace. In cooperation with other U.S. agencies and foreign law enforcement counterparts, DEA strives to disrupt the illicit narcotics distribution chain; arrest and prosecute those involved in all aspects of the illegal drug trade and seize their profits and assets.

DEA's contribution to our nation's international counternarcotics strategy is accomplished through the 86 offices located in 62 countries that DEA maintains worldwide, in cooperation with its U.S.-based offices. The DEA overseas mission is comprised of the following components:

- Conduct bilateral investigative activities;
- Coordinate intelligence gathering;
- Coordinate training programs for host country police agencies in countries receiving U.S. counternarcotics assistance;
- Assist in the development of host country drug law enforcement institutions and develop mutually beneficial law enforcement relationships with foreign law enforcement agencies.

The emphasis placed on each component is determined by conditions and circumstances within the host nation. In nations where the law enforcement infrastructure is advanced and well developed, the DEA office may tailor its activities to specific areas that best support host nation efforts. In countries lacking a robust law enforcement capability, DEA personnel may provide assistance in all four of the mission areas annotated above. The following sections highlight the assistance/joint enforcement work in which DEA played a crucial role during 2007 in support of the four established mission components.

Bilateral Investigative Activities: Important Joint Operations

Drug Flow Attack Strategy

In response to the President's National Drug Control Strategy calling for market disruption by attacking the flow of drugs, the DEA developed an International Drug Flow Attack Strategy. The primary objective of the strategy is to cause major disruption to the flow of drugs, money, and chemicals between the source zones and the United States.

This effort began with a threat assessment to ensure the most efficient use of interagency resources for the disruption of drug trafficking organizations (DTO) in the source and transit zones. The threat assessment utilized interagency expertise as well as knowledge gained from the previous iterations of joint enforcement operations, such as Operation All Inclusive. In 2007, DEA, in conjunction with the Government of Mexico (GOM), conducted the third iteration of Operation All Inclusive, codenamed "Operation Doble Via", which is an operational component of the Drug Flow Prevention Strategy. Operation Doble Via was a multi-agency enforcement operation. This

combined effort brought together U.S. resources (DEA, Customs and Border Patrol, Immigration and Customs Enforcement, the Bureau of Alcohol, Tobacco and Firearms, the Federal Bureau of Investigation, the Department of Defense, the IC, Texas State and selected local law enforcement) with Mexico's Cuerpo Federal de La Policia (CFP) and Mexican military units. Operation Doble Via resulted in total drug seizure results of 3,363 kilograms of cocaine, 30 kilograms of heroin, 121.8 metric tons (MT) of marijuana, 15,948 marijuana plants, 21 pounds of methamphetamine powder, 33.6 liters of liquid methamphetamine, 11,800 dosage units of MDMA, 6 liters of dangerous drugs, and \$4,969,647.33 in U.S. currency, as well as the arrest of 181 individuals.

Drug Flow Attack Strategy Highlights:

- An early success of Operation Doble Via was the arrest of DTO "Gulf Cartel" "Gatekeeper" Juan Oscar Garza-Alanis. On April 14, 2007, the Mexican law enforcement arrested Garza-Alanis and four associates at a nightclub in Reynosa, Tamaulipas, Mexico. Since June 2005, Garza-Alanis has been responsible for the transportation of multi-ton quantities of cocaine and marijuana through the Reynosa, Tamaulipas/McAllen, Texas corridor on a monthly basis.
- On April 20, 2007, the Meridian, Georgia Police Department seized \$5,369,270 in suspected illicit drug trafficking proceeds during a traffic stop. The driver was released pending further investigation. However, on May 20, 2007, this same driver was arrested again, this time in possession of an additional \$1,609,220 by a local police force outside of Atlanta, Georgia.
- On May 13, 2007, the Texas Department of Public Safety (DPS) Narcotics Section seized \$953,000 in U.S. Currency from a tractor trailer driver after a traffic stop on U.S. Hwy-36 southbound near Waco, Texas. The driver was arrested. Also seized were a Colt AR 15-M-16-type .223 rifle, a Springfield 9mm pistol, and a .37 mm grenade launcher.
- On May 23, 2007, the Texas Department of Public Safety (DPS) seized \$1,449,860 as the result of a traffic stop and arrested the driver. Subsequent to this seizure, the DPS executed a search warrant at the drivers' residence that resulted in the seizure of weapons, money counters, ballistic vests and numerous documents.
- On June 2, 2007, U.S. Border Patrol agents at the Falfurrias, Texas checkpoint seized approximately 9,070 kilograms of marijuana concealed within a tractor trailer and arrested the driver.
- On June 3, 2007, the Georgia State Patrol seized \$13,964,995 in suspected drug proceeds resulting from a traffic stop and arrested the driver.
- On June 24, 2007 the U.S. Border Patrol Checkpoint in Falfurrias, Texas seized 4,188 pounds of marijuana concealed within a tractor trailer and arrested the driver.
- On July 14, 2007, a DEA McAllen District Office Special Agent observed Carlos Landin, a former Mexican State Judicial Commandante (Police Official), at a local grocery store in McAllen, Texas, in the company of two Mexican males. Landin was subsequently arrested and transported to the McAllen Police Department holding facility. On July 16, 2007, Landin was charged with federal narcotics violations. Landin is a close associate of Gregorio Saucedo-Gamboa, who is in charge of the Reynosa plaza of the Gulf Cartel.

- On July 18 and 19, 2007, pursuant to information developed by Immigration and Customs Enforcement (ICE), DEA McAllen, ICE, and the South Texas High Intensity Drug Trafficking Area (HIDTA) seized a total of 1,003 kilograms of cocaine concealed within two tractor trailers. Both seizures have been linked to the Gulf Cartel. Two subjects were arrested.
- On August 6, 2007, DEA's McAllen District Office initiated surveillance on a residence in Hidalgo, Texas, based on information forwarded by the U.S. Border Patrol Special Response Team (SRT) in McAllen, Texas. A search warrant was executed and agents seized 250 kilograms of cocaine, two vehicles, eight cellular phones, and arrested seven suspects.

DEA enforcement operations "All Inclusive" 2006-1 and 2007-1, targeted South American source regions, Eastern Pacific and Western Caribbean transit areas of the Mexico/Central America transit zones, and the Mexico and Central America land mass, to attack the drug trade's main arteries and support infrastructure with innovative, multi-faceted, and intelligence-driven operations. Both operations exploited the maritime, overland, commercial air, and private air smuggling vulnerabilities of Mexican DTOs in the movement of drugs, money, and chemicals. DEA and other federal and host nation law enforcement and military agencies supported both operational and intelligence aspects of these operations.

Operation All Inclusive 2006-1, as with all Operation All Inclusive (OAI) operations this was an interagency effort using all available information gained from OAI 1-2005. OAI 2006-1 used the combined abilities of the Special Operations Division, the El Paso Intelligence Center, and Operation Panama Express. Pre-operational and operational intelligence was used to identify targets of interest, their vulnerabilities, and cause a sustained disruption in the flow of drugs ultimately destined for the United States. OAI 2006-1 consisted of a combination of land, air, maritime, and financial components, which were designed to synchronize interagency counter drug operations, influence illicit trafficking patterns, and increase disruptions of drug trafficking organizations. OAI 2006-1 targeted the flow of drugs, money, and chemicals within the source and transit zones in a combined effort utilizing DEA, Joint Interagency Task Force (JIATF)-South, the IC, and host counterpart capabilities.

- Operation All Inclusive 2006-1 Operational Highlights:

- Mexican Federal Police seized \$2.2 million dollars in U.S. currency found inside false luggage compartments at the Mexico City Airport. Four Colombians scheduled to fly to Guadalajara, Mexico were arrested.
- Ecuadorian National Police seized 5.5 MT of cocaine packaged in 677 boxes within a maritime container. The container originated in Buenaventura, Colombia, and was en route to Colon, Panama. This was largest cocaine seizure ever made at the Port of Guayaquil.
- Fifteen cocaine-processing labs were seized and dismantled in Colombia (11 in March and four in April). A total of 92.6 MT of precursor chemicals and 500 kilograms of explosives were seized.
- Eight maritime seizures, six in the eastern Pacific and two in the Western Caribbean, totaling 16.16 metric tons of cocaine and 8 kilograms of heroin, were carried out during the operation. The largest seizure occurred on March 11, 2006, 3.3 MT of cocaine, eight kilograms of heroin, from a go-fast boat with five Colombia crewmembers.

- In Colombia, many of the smaller cocaine seizures (10 kilograms or less) from air cargo were destined for Spain.
- 5.6 MT of cocaine was seized in Mexico from a DC-9 that originated in Venezuela. This seizure is one of the largest in recent history in Mexico.

Operation All Inclusive 2007-1 was designed to disrupt the flow of drugs, money, and precursor chemicals from the source zone (South America), through the transit zone (Mexico/Central America/Caribbean), and into United States. OAI 2007-1 expanded the geographical area coverage into the central Caribbean, Bolivia, and Peru; and provided U.S. interagency analytical support to seven countries. OAI 2007-1 resulted in the seizure of 115 MT of cocaine, and approximately \$390 million U.S. currency (USC), and the arrest of Consolidated Priority Organization Target (CPOT) Otto Herrera-Garcia and Priority Target Cynthia Matute.

- Operation All Inclusive 2007-1 Operational Highlights:

- March 2007 – The United States Coast Guard seized 17.4 MT of cocaine in the Eastern Pacific (EPAC). This seizure was linked to the Mexican Sinaloa Cartel.
- March 2007 – Mexican authorities seized the equivalent of \$207 million in U.S. currency-equivalent in Mexico City. This is the largest U.S. currency seizure in history (approximately \$204 million of the overall seizure was U.S. currency), and was made as a result of follow-up investigation regarding 18 tons of pseudoephedrine, a precursor for methamphetamine seized by Mexican authorities on December 5, 2006.
- March 2, 2007 – The arrest of Honduran national Cynthia Matute for money laundering with coordination between DEA Tegucigalpa, DEA Tampa, and the Honduran National Police. Matute is a member of a multi-ton cocaine transportation organization led by her father, Carsin William Matute-Rankin. The Matute organization has operated from the north coast of Colombia to the north coast of Honduras and surrounding islands since the late 1990s.
- June 20, 2007 – Guatemalan Priority Target suspected narcotics trafficker, Otto Roberto Herrera-Garcia, was arrested with coordination among DEA Bogotá, DEA Miami, and the DEA Special Operations Division (SOD). The Herrera organization is responsible for the importation of multi-ton quantities of cocaine from South America to Guatemala on behalf of the Mexican Sinaloa Cartel.

Operation Rum Punch. Operation Rum Punch, which ran from February 13-May 31, 2007, was part of DEA's Operation All Inclusive 2007. Operation Rum Punch provided training and institution-building to host nation counterparts, as well as assistance in developing an intelligence package that identified DTOs utilizing and operating in Hispaniola. Cumulative seizures for the duration of this operation included 1,137 kilograms of cocaine, \$427,241 U.S. currency (USC), 2 vessels, 3 cars, and 14 guns, as well as 18 arrests.

Operation Bahamas and Turks and Caicos (OPBAT). The Bahamas participates actively as a partner in Operation Bahamas and Turks and Caicos (OPBAT), a multi-agency, international drug interdiction cooperative effort established in 1982. OPBAT is the largest and oldest cooperative effort overseas by any government involved in drug enforcement. OPBAT participants on the U.S. side include DEA, U.S. Coast Guard (USCG), Department of Homeland Security, and Department of State. On the Bahamian and Turks and Caicos side, counterparts include the Royal Bahamas and Turks and Caicos Police Forces. With the departure of the U.S. Army after 21 years of support to OPBAT, the DEA Aviation Division has been given the responsibility of replacing aviation support for the program in the central Bahamas. A U.S. Embassy-hosted ceremony in Nassau on October 1,

2007, commemorated the departure of the Army's Blackhawks and the arrival of DEA Aviation Division assets. The DEA Aviation Division's arrival in the central Bahamas was the end result of months of planning and coordination by several organizations and DEA offices. Cumulative OPBAT statistics through December 31, 2007, include the seizure of approximately 1,789 kilograms of cocaine, 433,728 pounds of marijuana, 4 kilograms of heroin, and \$7,819,860 in USC, as well as 89 arrests.

Operation Containment. Operation Containment is an intensive, multinational, law enforcement initiative established in 2002 and is led by DEA. It involves countries in Central Asia, the Caucasus, the Middle East, Europe, and Russia.

During fiscal year (FY) 2007, Operation Containment resulted in the seizure of 22.6 MT of heroin, 567 kilograms of opium gum, 11.5 MT of cannabis, 14.2 MT of precursor chemicals, and 197 arrests.

Operation Marble Palace II. In January of 2005, DEA Kabul CO agents and Afghan Narcotics Interdiction Unit (NIU) counterparts arrested Afghan Heroin Drug Kingpin Haji Baz Mohammad in Kandahar, Afghanistan. President Bush had previously designated Haji Baz Mohammad as a Drug Kingpin pursuant to the Foreign Narcotics Kingpin Designation Act. Mohammad was indicted in the Southern District of New York for distributing hundreds of kilograms of heroin from Afghanistan and Pakistan to the United States, between 1990 and 2005. In October of 2005, Mohammad was extradited from Afghanistan to the United States. This represented the first Afghan drug trafficker that was extradited from Afghanistan to the U.S. to face narcotics charges. Numerous co-defendants who were part of Mohammad's New York based cell have been prosecuted and sentenced to federal prison. In addition, there is a 25 million dollar forfeiture allegation in the Southern District of New York federal indictment. On July 11, 2006, in the U.S. District Court for the Southern District of New York, Mohammad pled guilty to conspiracy to import heroin into the United States. On October 5, 2007, Mohammad was sentenced to 15 ½ years.

Operation Panama Express. Operation Panama Express is a joint operation designed to disrupt and dismantle major maritime drug smuggling organizations operating from the Pacific and Caribbean coasts of Colombia. The operation is conducted by DEA and several other federal, state, and local law enforcement authorities, including the Federal Bureau of Investigation (FBI), Immigration and Customs Enforcement (ICE), and Joint Inter-Agency Task Force (JIATF). Since the February 2000 implementation of Operation Panama Express, 507 MT of cocaine have been seized, 170 MT of cocaine have been destroyed when vessels carrying these illicit drugs were scuttled by their crews to avoid capture or when the boats were sunk by law enforcement, and 1,478 individuals have been arrested.

Operation Raw Deal. Operation Raw Deal followed the success of DEA's Operation Gear Grinder, which culminated in December 2005 and targeted eight of the largest steroid manufacturing companies in the world (all located in Mexico).

Under Operation Raw Deal, the DEA, the Food and Drug Administration (FDA), the U.S. Postal Inspection Service and other U.S. federal agencies identified numerous underground steroids labs that predominantly purchased raw steroid powder from Chinese manufacturers/suppliers and converted the powder into a consumer usable product. This conversion was typically conducted in residences or other private structures. Besides steroids, many websites targeted also offered other dangerous drugs and chemicals such as ketamine, fentanyl, ephedrine, pseudoephedrine, and GHB.

Since Operation Raw Deal began in December 2005 a total of 143 federal search warrants were executed on targets nationwide, resulting in 124 arrests and the seizure of 56 UGLs across the United States. In addition, this operation resulted in the seizure of approximately 11.4 million

steroid dosage units, as well as 242 kilograms of raw steroid powder of Chinese origin, \$6.5 million in U.S. currency, 25 vehicles, three boats, 27 pill presses, and 71 weapons.

Operation Twin Oceans I. Operation Twin Oceans I was a multi-jurisdictional investigation that targeted the Pablo Rayo-Montaña DTO, a cocaine ring responsible for smuggling more than 15 tons of cocaine per month from Colombia to the streets of the U.S. and Europe. Rayo-Montaña, aka “Don Pablo,” was the commander and controller of a criminal organization. In addition, the organization worked in close association with Colombian narco-terrorist organizations such as the Autodefensas Unidas de Colombia (AUC), Fuerzas Armadas Revolucionarias de Colombia (FARC), and Norte del Valle Cartel. An international coalition spearheaded by the Brazilian Federal Police (DPF), Panamanian Judicial Police, Colombian National Police, and DEA was responsible for dismantling this international drug cartel. Rayo-Montaña was arrested by the DPF at his residence in Sao Paulo, Brazil on May 16, 2006, on charges including money laundering and conspiracy and possession with intent to distribute cocaine. He represents the 42nd Consolidated Priority Organization Target (CPOT) arrest since the inception of the program. Since May 16, 2006, Rayo-Montaña has been in jail pending extradition to U.S., and on September 26, 2007, this case was closed successfully as a CPOT investigation. As a result of outstanding international cooperation, Operation Twin Oceans I was able to identify, target, and dismantle all levels of criminal activity from the Colombian source of supply to wholesale distributors that had a direct impact on the cocaine market in the U.S. This 3-year investigation resulted in over 100 arrests and the seizure of 47.5 MT of cocaine, as well as the identification of over \$100 million in assets in Mexico, Panama, Colombia, Brazil, and the United States. These assets included ships/yachts, vehicles, islands, other real property, U.S. currency, other foreign currency, bank accounts, artwork, etc.

Operation Windjammer. On May 19, 2005, based on information provided by DEA’s Cartagena Resident Office (RO), the DEA Kingston, Jamaica Country Office (CO) initiated a Priority Target Investigation that targeted a multi-ton, Jamaica-based, cocaine distributor. Through a myriad of investigative resources, the DEA Kingston CO, in conjunction with the DEA Cartagena RO, Panama CO, New York Field Division, and Special Operations Division (SOD) determined that the target distributed multi-ton quantities of cocaine to the U.S. and Europe via Panama and Mexico. On January 3, 2006, a 2-count indictment was handed down by the U.S. District Court for the District of Columbia alleging that the target, his father, and 5 co-conspirators were in violation of Title 21, U.S. Code (USC), Sections 863 and 959, conspiring to transport cocaine into the U.S. In support of Operation Windjammer, the DEA Kingston CO played a significant role in obtaining vital evidence that was utilized to implicate the target in a conspiracy to transship cocaine into the U.S. As evidenced by this indictment, Operation Windjammer was tailored to assist DEA, via host nation counterparts, in pursuing Priority Target and/or significant narcotics traffickers impacting the U.S. via Jamaica. Cumulative statistics through December 31, 2007, resulting from the success of Operation Windjammer include the seizure of 195 pounds of hashish oil and 13 tons of marijuana, as well as 18 arrests.

Project Cohesion. Project Cohesion is an international chemical precursor control initiative that is run under the auspices of the International Narcotics Control Board (INCB) to track the flow of the cocaine precursor, potassium permanganate, and the heroin precursor, acetic anhydride. Project Cohesion was created in October 2005 by combining the former INCB sponsored projects: Operation Topaz and Operation Purple. The combined steering committee of these two operations determined that while Operations Topaz and Purple had been effective in their time, changes needed to be made to reinvigorate these projects. Under the auspices of the INCB, Project Cohesion maintains the system of Central National Authorities (CNAs) for the use of Pre-Export Notification (PEN) system for both of these substances. Project Cohesion is committed to adopting a regional approach to increase arrests and chemical seizures. In addition, the project is committed

to increasing the efficiency of sharing intelligence and enforcement activities so that the real time exchange suspect consignment information can be obtained.

Project Prism. This project, which began in June 2002, is an initiative sponsored by the INCB under the United Nations. The initiative is aimed at assisting governments in developing countries and implementing operating procedures to more effectively control and monitor trade in Amphetamine Type Stimulants (ATS) precursors, used mainly in the production of methamphetamine and Ecstasy, in order to prevent their diversion. A task force oversees the initiation of individual operations and ensures the sharing of information, intelligence, and resulting findings.

At the 49th Commission on Narcotic Drugs in Vienna, Austria, in March, 2006, the United States sponsored a resolution, entitled “Strengthening Systems for Control of Precursor Chemicals Used in the Manufacture of Synthetic Drugs,” involving the synthetic drug precursors ephedrine, pseudoephedrine, as well as preparations containing these substances, 3-4 methylenedioxyphenyl-2-propanone and phenyl-2-propanone (P2P). Under the terms of this resolution, member countries were strongly urged to estimate the licit market for certain methamphetamine dual-use precursor chemicals, and provide that information to the INCB to assist enforcement officials in identifying excess shipments of these chemicals which might be diverted to illicit uses.

In June 2006, the Project Prism Task Force agreed to a voluntary operation focusing on the trade of ephedrine, pseudoephedrine and ephedra, including pharmaceutical preparations to the extent possible, to the Americas, Africa, and Middle East. During the operation approximately 53 tons of questionable shipments of ephedrine were suspended, stopped, or seized. The INCB issued 35 notifications to the task force members containing information on suspicious shipments.

Coordinate Intelligence Gathering

Colombia—DEA Colombia expanded its joint intelligence gathering efforts with Colombian agencies in 2007. The objectives of these intelligence gathering programs include information related to new groups emerging from the demobilization process of paramilitary organizations, intelligence on methamphetamine production and transportation in Colombia, information related to Colombia/Venezuela cross-border drug trafficking activity, and a final intelligence program which targeted the Colombian Ports and the transportation organizations using the ports.

Europe/Africa—Law enforcement information, seizures, and market indicators suggest that increasing amounts of cocaine are being smuggled from South America to European markets, including through West Africa. Multi-ton quantities of cocaine are smuggled to Europe via several African countries, to include Nigeria, Ghana, Togo, Benin, Guinea-Bissau, Cape Verde, Morocco, Mauritania, Senegal, Ivory Coast and Guinea-Conakry. In order to combat these networks, DEA, in coordination with European and African law enforcement agencies, has developed and implemented a program to gain increased understanding of narcotics trafficking in West Africa, fill intelligence gaps, and promote intelligence sharing.

Europe/Asia/Africa—From January 1 through June 30, 2007, 65 countries participated in an operation focusing on the trade of ephedrine, pseudoephedrine, ephedra, and pharmaceutical preparations containing those chemicals, moving in nominally licit trade to the Americas, Africa and West Asia. Analysis of data obtained during this operation has clearly identified a trend for trafficking organizations to target and exploit regions, specifically the African continent and certain Middle Eastern nations, for transiting of these precursor chemicals before they are diverted to illicit uses.

China—DEA has been working closely with law enforcement agencies in China, Pakistan, and Afghanistan to target the flow of Afghan heroin to China. Authorities in all three countries have

reported increased arrests of couriers smuggling Afghan heroin to China. Increased intelligence sharing among the countries has led to the identification and disruption of several West African drug trafficking organizations. Investigations have revealed that West African criminal networks are the primary smugglers of Afghan heroin into China.

Mexico—During the first six months of 2007, DEA detected a significant decrease in cocaine availability in the United States, due in large part to the Government of Mexico's (GOM) counternarcotics efforts. The GOM's increase in counternarcotics operations, including key usage of checkpoints along lucrative drug routes as well as highly successful U.S.-led operations in the transit zone, effectively interdicted the supply of cocaine into the United States via the southwest border. The price of cocaine in the United States rose by 44 percent, from \$95.35 per gram of pure cocaine to \$136.93 per gram of pure cocaine, while the purity decreased by 15 percent, from 66.9 percent to 56.7 percent.

Centers for Drug Information—During the 2002 Summit of the Americas, the Heads of State in the Western Hemisphere adopted several resolutions calling for the intensification of collaborative efforts in the fight against illicit drugs in the Americas. As part of the response to these resolutions, the International Drug Enforcement Conference (IDEC) Presidents and the U.S. Drug Enforcement Administration (DEA) developed a regional strategy to target transnational drug trafficking organizations. One of the solutions proposed was the creation of the Centers for Drug Information (CDI). The IDEC Regional Presidents unanimously approved the proposal and DEA was tasked with implementing the CDI Program. The CDI Program is a web-based program using the internet as its communication backbone. The Centers were designed to provide coordination, analysis, and daily summaries of events that have occurred and are staffed by analysts from the host nation, the Joint Interagency Task Force-South (JIATF-S) and DEA.

This DEA managed initiative became operational during June 2003, with 41 participating countries and protectorates located throughout the Caribbean, Mexico and Central America and South America. A fifth Regional Center (Kabul, Afghanistan) was established in 2005. The program presently supports 48 countries and protectorates and includes over 250 users.

Coordinate Training Programs for Host Nation Police Agencies

DEA's international training activities are conducted in coordination with DEA's foreign offices, U.S. Embassies, and the Department of State, Bureau for International Narcotics and Law Enforcement Affairs (INL).

International Law Enforcement Academy (ILEA) Training Programs

Recognizing that the pervasive influence of organized transnational crime threatens the stability and rule of law in emerging democracies around the world, the ILEA program was established by the U.S. Department of State in 1995. Currently, there are four ILEAs operating in Budapest, Hungary; Bangkok, Thailand; Gaborone, Botswana; and San Salvador, El Salvador. Funding for the ILEAs is provided by the Department of State, INL. ILEAs offer a program of mid-career leadership training for regional police and other enforcement officers, as well as specific training programs arranged in accordance with regional interests. DEA's role is to provide counternarcotics course instruction and best practices for the core supervisory sessions, as well as specialized training courses at the ILEAs.

DEA's International Training Section (TRI) provides one-week of counter narcotics training at each of the five annual eight-week sessions of law enforcement training at the ILEA in Budapest, Hungary. Twenty-six countries from Central Asia, Eastern Europe, and the former Soviet Union participate in ILEA Budapest training. In addition to offering training at the eight-week sessions, TRI also conducts a one-week Drug Unit Commander Course.

ILEA-Bangkok began offering courses in March 1999. DEA has held the Directorship at ILEA Bangkok since its inception. The ILEA Bangkok core program of instruction is the six-week Supervisory Criminal Investigator Course (SCIC). TRI provides seven days of instruction during the SCIC for 13 countries from Southeast Asia. DEA also offers several specialized courses at ILEA Bangkok.

ILEA Gaborone, Botswana, became operational in 2001. ILEA Gaborone training includes a six-week supervisor's course, the Law Enforcement Executive Development and a number of specialized courses. TRI provides four days of counter narcotics training at each of the four Executive Development sessions, and a one-week Regional Chemical Control Training Seminar. ILEA Gaborone conducts training for 23 eligible southern African countries.

San Salvador, El Salvador, was selected in 2005 as the permanent venue for ILEA Latin America, and the first six-week pilot training program was conducted at the Academia Nacional De Seguridad Publica (ANSP) academy. It is anticipated that a new academy to serve Central and South America, as well as the Caribbean will be built on ANSP grounds. DEA serves as the Deputy Director for ILEA San Salvador, which also conducts specialized training courses at an alternate training venue, a Regional Training Center in Lima, Peru. ILEA San Salvador provides training of law enforcement officials from 30 participating Latin American countries. TRI provides five days of instruction at each of the four annual Law Enforcement Management Development Program sessions, as well as several specialized courses. A total of 841 participants were trained during FY 2007 at the ILEAs.

Bilateral Training Programs

TRI offers both in-country and regional training programs conducted by mobile training teams. In-country programs are seminars conducted in a host country and only include participants from that country. Regional training is designed to bring together a combination of participants from a number of countries sharing common drug trafficking issues or routes. An advance pre-school planning and assessment trip is conducted by a training team member to design each school to the specific requirements of the students registered for the courses. In FY 2007, TRI conducted bilateral training seminars funded by INL for 589 participants from 18 countries.

Asset Forfeiture/Money Laundering Training Programs

Three Department of Justice (DOJ)/Asset Forfeiture Money Laundering Seminars are offered: an International Asset Forfeiture Seminar, an Advanced International Asset Forfeiture Seminar, and a Money Laundering Seminar. An inter-agency group in Washington coordinates funding for approximately six of these seminars per year. The actual training modules to be offered at International Asset Forfeiture and Money Laundering programs are developed by TRI in a joint effort with DOJ. During FY 2007, a total of 214 participants from five countries were trained at Basic and Advanced Asset Forfeiture/Money Laundering Seminars.

International Narcotics Enforcement Management Seminar (INEMS) Program

The INEMS is a three-week program funded by the Department of State conducted by the International Training Section of DEA held in the United States for upper-level law enforcement managers. In addition to management concepts, the supervisors are exposed to the current and innovative enforcement techniques used by DEA and other U.S. enforcement agencies. Each country trainee group is required to present an overview of the narcotics situation in their home country. FY 2007's INEMS No. 85 included 15 participants from 15 countries and was conducted in Clearwater Beach, Florida.

North Atlantic Treaty Organization (NATO)-Russia Council Counter Narcotics Training Project

DEA provides mobile training teams to support the NATO-Russia Council (NRC) Training Project on Counter Narcotics training of Afghan and Central Asian personnel. This project is implemented by the UNODC. The mobile training seminars are being conducted in each of the Central Asia countries of Tajikistan, Kyrgyzstan, Uzbekistan, Kazakhstan, and Turkmenistan. NRC training programs will occur throughout FY 2008 in Afghanistan and Central Asia and is supported by DEA by sending experienced instructors to Academies in Russia and Turkey, as well as Tajikistan, Kyrgyzstan, Uzbekistan, Kazakhstan, and Turkmenistan.

DEA's fourth Key Mission Objective is to assist in the development of host country drug law enforcement institutions and form effective cooperative relationships with foreign law enforcement organizations.

The DEA tries to help foreign countries fight drug criminals by identifying and working with those foreign law enforcement organizations which have the integrity and the courage to develop and pass strong counternarcotics laws and build strong law enforcement institutions into existence to suppress crime. For example, DEA's successful operations in concert with the Colombian National Police (CNP) are an outgrowth of its long-term, strategy to develop strong working relationships with reliable, honest governmental institutions. The fact that the CNP has been able to remain steadfast in the face of continuing threats of violence and the temptations of corruption by DTOs is a testimony to the honesty and valor of its leadership, and individual member officers. The DEA has excellent working relationships with law enforcement in other countries as well, and these partnerships have resulted in tremendous successes across the globe. DEA's cooperative efforts with host countries have helped DEA to develop more self-sufficient, effective drug law enforcement programs.

The DEA actively participates in several international forums to promote international law enforcement cooperation. One forum is the annual International Drug Enforcement Conference (IDEC) that brings together upper-level drug law enforcement officials from around the world to share drug-related intelligence and develop operational strategies that can be used against international drug traffickers. The yearly conferences focus on such areas of common concern as the growing sophistication of drug trafficking organizations and money laundering.

United States Coast Guard

Overview

The Coast Guard's multiyear campaign plan to combat the dynamic maritime drug trafficking threat, Campaign Steel Web, is continually evolving to reflect changes in drug trafficking trends.

Steel Web is fully aligned with the National Drug Control Strategy (NDCS), the National Interdiction Command and Control Plan (NICCP), national security and other directives complementing the contributions of our law enforcement (DOJ/DEA, DHS/ICE, CIS, CBP and local LEAs) and DoD partners in this effort.

Three pillars form the foundation of Steel Web:

- **Flexible, Intelligence Driven Operations:** On an individual basis as well as being major actionable intelligence providers for Joint Interagency Task Force South (JIATF-S), United States Coast Guard (USCG) Operational Commanders aggressively conduct and support coordinated, flexible and dynamic operations in the transit zone in response to tactical intelligence and information. The Coast Guard also continues to coordinate operations with local, state, and federal law enforcement and Defense agencies.
- **International Engagement:** The Coast Guard continues to emphasize international partnering, including the planning and execution of both large and small-scale joint and combined operations, as well as the pursuit and judicious use of bilateral maritime agreements and International Maritime Interdiction Support (IMIS) arrangements throughout the theaters of operations. Additionally, Coast Guard provides Training and Technical Assistance to partner nation's maritime services to serve as force multipliers in drug trafficking operations.
- **Technological Initiatives:** Coast Guard is actively addressing operational shortfalls through research, developing and fielding detection, monitoring, and non-lethal endgame technologies, such as Airborne Use of Force and Fuel Neutralization, to enhance effectiveness and greatly increase the chances for success against drug traffickers.

The keys to success of Steel Web have been adherence to the concept of centralized operational planning and decentralized execution, which includes maintaining the flexibility to respond to tactical intelligence and information; pursuit of international engagement opportunities, which occur at the tactical, theater and strategic levels; partnering with law enforcement officials of other nations, which helps develop indigenous interdiction forces and enhances the cumulative impact of interdiction efforts directed at drug traffickers in the region; and maintenance and training support through deployable training teams, resident training and subject matter expert exchanges, which improves the effectiveness of our counternarcotics partners.

Combined Operations

The Coast Guard conducted several maritime counternarcotics combined operations in 2007 in coordination and/or cooperation with military and law enforcement forces from: Colombia, Jamaica, the United Kingdom and its Overseas Territories, Netherlands and Netherlands Antilles, Belgium, and France and its Overseas Territories. In FY2007, Law Enforcement Detachments

(LEDETs) conducting combined operations onboard British Naval Vessels removed¹ a total of 12,784 pounds of cocaine.

International Agreements

There are now 26 bilateral maritime counternarcotics agreements in place between the U.S. and our Central, South American and Caribbean partner nations, moving toward our goal of eliminating safe havens for drug smugglers. Most recently, the USCG signed a set of operational procedures with the Bureau of Coastal Navy & Merchant Affairs of Ecuador, which facilitate cooperation in cases involving Ecuadorian flagged vessels suspected of engaging in maritime drug smuggling activities. Discussions for a similar agreement with Peru are in progress. In addition, the United States, Belize and France have signed and taken the necessary steps to bring the Caribbean Regional Maritime Counterdrug Agreement (CRA) into force; however, two more countries need to take action for the CRA to come into effect.

International Cooperative Efforts

In FY 2007 the Coast Guard disrupted 65 drug smuggling attempts, which resulted in the seizure of 37 vessels, the arrest of 188 suspected smugglers, and the removal of 355,755 pounds of cocaine and 10,385 pounds of marijuana. Nearly all of the 65 events involved some type of foreign support or cooperation, either through direct unit participation, exercise of bilateral agreements, granting permission to board, or logistics support.

In an effort to stymie law enforcement efforts, DTOs developed a new tactic utilizing fishing vessels to smuggle liquid cocaine. The USCG discovered aboard Colombian and Ecuadorian flagged fishing vessels liquid cocaine mixed in with diesel fuel. Working closely with DEA chemists, the USCG developed testing methods that led to the seizure of 27,512 lbs of liquid cocaine. Cooperation by the flag states was critical to the successful interdiction of these vessels.

The USCG embarked ship riders from Guatemala, Nicaragua, Costa Rica, Belize, Honduras, The Bahamas, and Palau to exercise bilateral agreements, improve cooperation, and maximize the efforts of law enforcement assets on the high seas, and in the territories of partner nations.

International Training and Technical Assistance

In FY2007, the USCG provided International Training and Technical Assistance in support of drug interdiction programs through a variety of support efforts.

The three-person USCG Technical Assistance Field Team (TAFT) provides engineering expertise, vessel assessments, and major repair contracting services to the maritime services of the countries in the Eastern Caribbean's Regional Security System. USCG ships used the service's new legislative authority "to conduct training and technical assistance in conjunction with normal operations" in several countries to continue the USCG's international engagement mission. Several USCG engineering deployments provided crucial technical assistance to the Haitian Coast Guard and aided the Haitian Coast Guard's efforts to improve the operational readiness of its small boat fleet. The USCG fielded a training detachment in support of the U.S. SOUTHCOM's Global Fleet Station deployment to six Caribbean countries during the summer of 2007. This detachment led training courses in port security, outboard motor maintenance, and small boat seamanship. The USCG continued to serve as the maritime coordinator of the annual TRADEWINDS multinational exercise. Seventy-eight members from 13 regional maritime services participated in engineering,

¹ In 2004, the USG began tracking the amount of drugs lost in the transit zone due to scuttling, jettison, burning, etc. Total Coast Guard removals is the sum of drugs seized plus those lost to traffickers due to law enforcement efforts. Drugs listed in this category were not recovered; they were removed from the total flow moving toward the U.S.

navigation and seamanship exercises designed to improve operational capabilities at TRADEWINDS 2007 in Belize. The USCG is partnering with U.S. Navy forces off the Gulf of Guinea to plan the Global Fleet Station-like concept called Africa Partnership Station during the winter 2007 and spring 2008.

The USCG's International Training Division's Mobile Training Teams deliver one-to-two-week long courses to partner nation maritime services around the world. Typical courses include Maritime Law Enforcement (MLE), Boarding and Advanced Boarding Officer, Joint MLE Boarding, Maritime Operations Planning and Management, MLE Instructor, Port Security/ Port Vulnerability and Small Boat Operations. Courses consist of formal classroom instruction with either on-board or on-locale hands-on skill training. In FY 2007, over 1,400 students from 43 countries from around the world received instruction.

Individual students also receive instruction in USCG resident training programs. These students develop a broad range of skills from boat handling and boat and engine repair to senior officer leadership training. In FY 2007, 178 students from 53 partner nations enrolled in resident courses at USCG training installations.

In FY 2007 and early FY 2008, the first and second Eastern Pacific Ocean Trilateral Maritime Counternarcotics Summits involving the U.S., Ecuador and Colombia, were held in Bogota and Guayaquil respectively. These Summits have resulted in significant improvements in information flow and operational coordination that have enhanced our collective ability to combat illicit narcotics smuggling. The Summits are held on a semi-annual basis.

U.S. Customs and Border Protection

The Department of Homeland Security's Customs & Border Protection (CBP) processes all goods, vehicles, and people entering and exiting the United States. CBP officers intercept contraband, illicit goods, fugitives, and unreported currency at our borders using a wide range of interdiction techniques – all of which focus on targeting suspect shipments and persons in order to minimize impact on legitimate trade and travel. CBP utilizes selectivity to identify high-risk shipments for intensive examination and now incorporates the border control functions of passport control and agriculture inspections to provide seamless border control processing termed, "One Face at the Border." CBP also responds to the nation's terrorism priorities through strategic programs designed to increase border security.

CBP is an integrated border control agency that operates at a high level of efficiency and integrity. On the average day, CBP processes 1.13 million passengers and pedestrians, 70,900 containers by land and sea, 251,000 incoming international air passengers, 74,100 passengers/crew arriving by ship, 304,000 incoming privately owned vehicles; seizes \$187,186 in undeclared or illicit currency, 5,138 pounds of narcotics; and arrests 2,472 fugitives or violators at or between ports of entry; all while facilitating commercial trade and collecting \$88.3 million in fees, duties and tariffs. The State Department Bureau for International Narcotics and Law Enforcement Affairs and CBP promote international cooperation through interagency agreements providing training and assistance programs to foreign counterparts worldwide. These agreements enable CBP to deliver a variety of training, high-tech tools, and management strategies for combating transnational crime, thereby promoting international law enforcement.

International Training and Assistance

In 2007, CBP provided technical training and assistance in support of the International Law Enforcement Academy (ILEA) programs, currently operating in Bangkok, Budapest, Gaborone, and San Salvador. The mission of the ILEA is to promote social, political, and economic stability by combating crime. To achieve this goal, ILEA provides high-quality training and technical assistance, supports institution building and enforcement capability and fosters improved relationships between American law enforcement agencies and their counterparts in the regions.

The ILEA program encourages strong partnerships among regional countries to address common problems associated with criminal activity. CBP has supported ILEA programs by developing and conducting specialized training on topics which include Land Border Interdiction; International Controlled Deliveries and Drug Investigations (conducted jointly with the Drug Enforcement Administration); Complex Financial Investigations (conducted jointly with Immigration and Customs Enforcement); Intellectual Property Rights Investigations (conducted with the Federal Bureau of Investigation); and a Customs Forensics Lab course. In 2007, CBP provided assistance for numerous ILEA programs.

From June 2007 to July 2007, two Border Patrol Agents and one CBP Officer were deployed at the request of the Narcotics Affairs Section, U.S. Embassy Panama for thirty days, to support the Panamanian Government and Law Enforcement Office in an advisory and mentoring role at the Guabala Checkpoint in the province of Chiriqui, Panama.

Training was provided to a total of 18 Panamanian National Police (PNP) and Judicial Technical Police (PTJ) in basic checkpoint operations. The training consisted of classroom and on-the-job training specific to traffic check operations which included but were not limited to the following:

interview/observation techniques, vehicle searches, identifying hidden compartments, fraudulent documents and officer safety. In addition, during the deployment several subjects were apprehended for immigration violations and there were numerous narcotic seizures which occurred at the checkpoint.

In February 2007, eight Border Patrol Agents and seven members of Joint Task Force North (JTFN) conducted a Narcotics Affairs Section funded three-week Emergency Response Training Course in Chihuahua, Mexico. The mission description of this operation was to train officers from various Mexican agencies to respond, prepare, coordinate, assist, and communicate incidents involving multiple victims and aiding in diverse types of injuries.

The mission also supported or provided the following:

- A program preparing officers to respond and manage casualties in urban, rural, and remote locations where medical personnel may not be immediately available.
- Gave trainees the technical skills and a level of medical knowledge to slow any casualty's deterioration by providing critical lifesaving care beyond that of first, self, or buddy aid.
- A Border Action Plan that was established between the U.S. Department of Homeland Security and the Government of Mexico to ensure an effective response to cross-border incidents.

In November 2007, CBP sent a team to assess the newly built strategic vehicle and passenger bridge that spans the Pyanj River connecting Afghanistan and Tajikistan. The bridge, constructed by the U.S. Army Corp of Engineers-Afghanistan Engineering District, replaces an existing ferry system. In 2008 CBP will assist in the orderly transfer of the newly constructed port of entry facilities to Tajikistan Customs. This new facility in a high-risk drug transit area will enhance regional trade and serve as a model port in Tajikistan, where for the first time, cargo will be screened and cleared upon arrival on site, reducing the risk of weapons or other illicit cargo being diverted on the way to inland clearance stations.

Port Security Initiatives

In response to increased threats of terrorism, CBP supported programs seeking to identify high-risk shipments destined for the United States—before they reach our ports. One important program with this objective is the Container Security Initiative (CSI). CSI addresses the threat to border security and global trade posed by the potential for terrorist use of maritime shipping containers. CSI consists of security protocols and procedures that, if fully implemented, ensure that all maritime shipping containers, that pose a potential risk for terrorism, are identified, inspected and secured at foreign ports before they are placed on vessels destined for the United States. CBP is now stationing multidisciplinary teams, consisting of representatives from both CBP and ICE that work together with their host government counterparts. Their mission is to jointly target and pre-screen containers, as well as to develop additional investigative leads related to the terrorist threat to cargo destined for the United States.

Through CSI, CBP officers work with host customs administrations to establish security criteria for identifying high-risk containers, using non-intrusive technology to quickly inspect high-risk containers before they are shipped to U.S. ports. Additional steps are taken to enhance the physical integrity of inspected containers while they are en-route to the U.S. A total of over 50 foreign ports are participants in either the CSI or SFI.

Plan Colombia

In support of the Government of Colombia's plan to strengthen its counternarcotics and counterterrorism operations – Plan Colombia—CBP developed and implemented an initiative focusing on joint U.S.-Colombia narcotics interdiction efforts. As part of U.S. support to Plan Colombia, CBP provided Colombia with training and assistance on personnel management systems to assure seamlessly coordinated operations among key Colombian staff, border interdiction, and industry partnership programs. Through this support, CBP has provided Colombia with basic tools, vehicles, high-tech equipment, training and technical assistance to the Colombian National Police, Colombian Customs, and other Colombian law enforcement agencies.

Customs Mutual Assistance Agreements

CBP delivers a portion of U.S. support provided to host nations under Customs Mutual Assistance Agreements (CMAAs). CMAAs provide for mutual assistance in the enforcement of customs-related laws. Under CMAA protocols, CBP provides assistance to its foreign counterparts in the collection of evidence for criminal cases. U.S. courts have ruled that evidence—gathered via these executive agreements—is fully admissible in U.S. court cases.

Training in the United States

International Visitors Program (IVP). The IVP provides a venue for foreign officials to consult with their U.S. counterparts and appropriate high level managers in CBP Headquarters, as well as conduct on-site observational tours of selected U.S. ports and field operations. The focus includes narcotics enforcement, port security, counter terrorism and intelligence operations. In 2007 the IVP hosted senior government officials including the head of Kyrgyzstan and Afghanistan's Border guard services.

Canine Training. CBP's Canine Center Front Royal (CCFR) continues to provide assistance-funded training courses, designed to assist foreign countries in the proper use of detector dogs. CETC provides each country with a clear and logical framework for the initial training and employment of detector dog teams for the successful interdiction of smuggled narcotics, explosives, and currency. CCFR also provides support to countries in the initial development and evaluation of canine training programs, as well as the enhancement of existing canine interdiction and breeding programs. Training is provided to federal police and customs officers, trainers, and supervisors on all facets of canine training and utilization. Over the past 28 years, over 500 officers—representing over 50 countries—have been trained at the CCFR in Front Royal, Virginia. Recently, canine training has been provided to Peru and Brazil, with continuing support to canine programs being provided to Trinidad, Israel, Kazakhstan, and Canada.

Training in Host Countries

Overseas Enforcement Training. This training combines formal classroom training and field exercises for host nation border control personnel. The curriculum includes narcotics interdiction, identifying falsified/forged travel documents, effective targeting and search techniques, risk management and the identification of terrorist tools – all in a border context.

Short Term Advisory Training. This training allows on-site CBP experts to assist host government agencies with selected projects, such as building institutions and improving interdiction capabilities. These may focus on specific narcotics threats, port security initiatives and the counterproliferation of Weapons of Mass Destruction (WMD). CBP advisors are also deployed to help with host nation strategic planning, commercial processing, investigations, canine enforcement, automation and border/trade facilitation. In 2007, many CBP short-term advisors were fielded to various countries in Latin America and the Caribbean.

Integrity/Anti-Corruption Training. This training is designed to promote professionalism and integrity within the workforce of those agencies that are particularly vulnerable to bribery and corruption. The focus is on integrity awareness and development of internal investigation capabilities and organizations.

Looking Ahead

The Department of Homeland Security, which began operations in January 2003, consolidated several agencies with customs, immigration, and border enforcement experience. CBP, with its long history of revenue collection and border protection, became the key agency designated to combat terrorism at points of entry around the U.S. The mission of CBP in providing security to U.S. citizens—through targeted examination and interdiction—plays a major role in the new organizational concept. Port security functions continue to be in the forefront, focusing on enforcement activities, promoting domestic security, and fighting the threat of international terrorism.

In 2008, CBP will continue its border security mission through its initiatives that secure the supply chain of international cargo destined for the U.S. CBP's international missions will also focus on evaluating and prioritizing the needs of countries seeking assistance in capacity building. CBP will place continued emphasis on evaluating the effectiveness of all its programs and CBP advisors will be deployed to assist countries in improving their border security operations and in meeting recognized international standards for security and reporting.

CHEMICAL CONTROLS

Executive Summary

The production of methamphetamine continued to shift from small-scale domestic producers within the United States to large “super-labs” in Mexico and other international locations in 2007, continuing a trend first described in last year’s report. This pattern is at least partially due to increasingly effective domestic controls over the retail sale of licit pharmaceutical preparations containing ephedrine and pseudoephedrine, the primary chemicals necessary for methamphetamine. Regulations for the sale of such products in the U.S. became effective at the national level for the first time in late 2006 under the Combat Methamphetamine Epidemic Act (CMEA). To capitalize on these gains and prevent production from merely shifting locations, the U.S. Government enhanced the scale and pace of its law enforcement cooperation with the Government of Mexico to target the production and trafficking of methamphetamine. For its part, the Government of Mexico demonstrated unprecedented political commitment towards stemming the illicit diversion of chemicals required for methamphetamine production. The Government of Mexico determined in September of 2007 that it would issue no further licenses for the importation of any amount of ephedrine, pseudoephedrine, and any product containing these chemicals. Sellers of ephedrine and pseudoephedrine products must deplete their remaining stores of products containing these chemicals by 2009, after which the use of these products will be illegal in Mexico.

This new policy has the potential to significantly disrupt the methamphetamine trade in the years ahead. To further institutionalize U.S.-Mexico cooperation and to support Mexico’s implementation of its domestic efforts, Mexico and the United States have jointly developed a comprehensive, multi-year law enforcement cooperation strategy known as the “Merida Initiative.” In addition to helping improve Mexico’s ability to interdict methamphetamine and other illegal drugs, this initiative would seek to disrupt methamphetamine production and strengthen Mexico’s ability to attack drug trafficking organizations controlling the trade. This comprehensive proposal also would provide assistance to enhance border and chemical precursor controls in Mexico’s Central American neighbors, to prevent increased smuggling of precursor chemicals from Central America into Mexico—a likely scenario given the ban on ephedrine and pseudoephedrine imports into Mexico.

Steps taken by the United States in 2006 to engage the United Nations and the International Narcotics Control Board (INCB) more actively on methamphetamine and other synthetic drugs also produced notable results in 2007, both in terms of operational law enforcement cooperation and international regulatory efforts to track the commercial flow of precursor chemicals. In 2007, the INCB’s Project Prism task force initiated *Operation Crystal Flow*, which focused on monitoring the shipment of precursor chemicals between the Americas, Africa, and West Asia and identified 35 suspicious shipments and stopped the diversion of 53 tons of precursor chemicals.

Building on the passage of a U.S.-sponsored 2006 CND (Committee on Narcotic Drugs) resolution that requested governments to provide an annual estimate of licit precursor requirements and to track the export and import of such precursors, the United States in 2007 supported a resolution drafted by the European Union that urged countries to strengthen controls on pseudoephedrine derivatives and other precursor alternatives. The INCB Secretariat’s program to monitor licit shipments of precursor chemicals was further strengthened by the availability of these national licit estimates, which were provided by over 100 countries and territories. The INCB is using these estimates to evaluate whether a chemical shipment appears to exceed legitimate commercial needs, and also is using this data to work with the relevant countries that can block shipments of chemicals before they are diverted to methamphetamine production. The United States will

continue to urge countries that have not provided such commercial data to the INCB to do so, and consider providing technical assistance through the INCB to states that currently lack the technical expertise to develop national estimates.

The United States is keenly aware that drug traffickers are adaptable, well-informed, and flexible. New transshipment routes may be emerging in Southeast Asia and Africa, and there is also ample evidence that organized criminal groups ship currently uncontrolled chemical analogues of ephedrine and pseudoephedrine for use in manufacturing illicit methamphetamine-type drugs. Alternative production methods instead of the predominant “ephedrine reduction” method is also a major concern. This issue has become a mainstream, high-priority of USG and international community, and we will continue to push for greater international activism to combat this threat in both bilateral and multilateral settings.

Combating the supply of methamphetamine is critical, but chemical control is much broader than methamphetamine and other synthetic drugs. Plant-based drugs such as cocaine and heroin also require precursor chemicals for processing, and cutting off supply of these chemicals is critical to U.S. drug control strategy. International efforts have a longer track record in targeting the illicit diversion of the most common precursors for cocaine and heroin—potassium permanganate and acetic anhydride, respectively. Less than 1 percent of worldwide licit commercial use of these chemicals is required to produce the world’s supply of cocaine and heroin, and curbing supplies is an enormous challenge.

In 2007, the United States joined with international partners to bring new focus on precursor chemical trafficking through and around Afghanistan and its neighbors—the source of 93 percent of the world’s opium poppy, and the location of an increasingly high percentage of heroin production. At the political level, the United Nations Office on Drugs and Crime (UNODC) hosted a series of meetings under the Paris Pact law enforcement coordination mechanism to promote expanded international cooperation between law enforcement agencies active in border control through and around Afghanistan. At the operational law enforcement level, the INCB-coordinated law enforcement task force Project Cohesion continued to produce positive results in international law enforcement cooperation to seize smuggled shipments. Illicit smuggling of precursors in countries along Afghanistan’s opium supply chain remains a challenging problem due to widespread gaps in intelligence and limited specialized law enforcement expertise in detecting chemicals internationally. However, the United States and international partners have made substantial progress in developing an infrastructure capable of achieving future progress, particularly in the areas of sharing intelligence, promoting law enforcement cooperation and expanding regulatory expertise in the region.

In South America, Project Cohesion focuses on monitoring the imports of potassium permanganate to the cocaine processing areas. At the May 2007 meeting of the Project Cohesion Task Force, participants expressed concern over the paucity of information pertaining to the trade of potassium permanganate in Latin America. In order to gather additional information on this topic, DEA organized a meeting in September 2007 that was attended by most of the countries in Latin America, including Mexico and Colombia.

The U.S. also will consider additional ways in which it might increase cooperation with international chemical producers and transporters in the private sector in order to promote effective diversion-prevention practices.

Background

Precursors and Essential Chemicals

Chemicals play two essential roles in the production of illegal drugs: as active chemical inputs for the production of synthetic drugs such as methamphetamine and Ecstasy; and as refining agents and solvents for processing plant-based materials such as coca and opium into finished drugs such as cocaine and heroin. Active chemical ingredients used in synthetic drugs are known as “precursor” chemicals due to the fact that they become part of the finished drug, whereas chemicals used to process plant-based drugs are referred to as “essential” chemicals. As a form of shorthand, both sets of chemicals are often referred to as “precursor chemicals,” and for the sake of brevity, this term is used interchangeably for both categories throughout this report.

International Regulatory Framework for Chemical Control

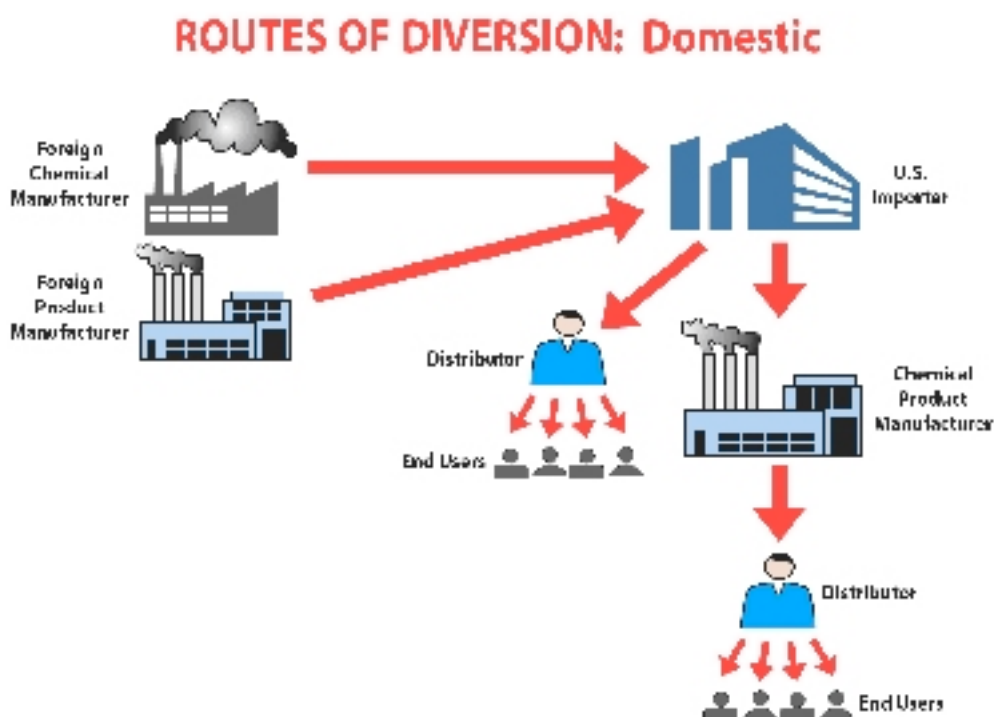
Preventing the diversion of precursor chemicals from legitimate trade is one of the key goals of the 1988 UN Convention against Illicit Traffic in Narcotic Drugs and Psychotropic Substances. Specifically, state parties are required under article 12 of the 1988 Convention to monitor international trade in chemicals listed under Tables I and II of the Convention. These lists of chemicals have been regularly updated to account for evolutions in the manufacture of illicit drugs, and state parties are required to share information with one another and with the International Narcotics Control Board (INCB) on international transactions involving these chemicals. The Convention further encourages state parties to license all persons and enterprises involved in the manufacture and distribution of listed chemicals, and subsequent resolutions from the UN Commission on Narcotic Drugs (CND)—the UN’s primary narcotic drug policy-making organ—have provided additional guidance to states on how to implement these obligations according to specific best practices. The underlying strategy is to closely monitor the trade in drug precursors and prevent transactions to suspicious customers.

In 1996, the U.S. supported a CND resolution that added a special monitoring list of chemicals that are not included in the Convention but for which substantial evidence exists of their use in illicit drug manufacture. Reporting requirements on these non-listed chemicals is voluntary under international law, but widely implemented in practice under INCB supervision. As with officially controlled chemicals listed under Articles I and II of the 1988 Convention, this special surveillance list is regularly updated to account for evolutions in drug production trends. Still, it takes time to get new near analogues of existing precursors listed and organized criminals vigorously exploit delays and gaps in the listings.

The regulatory framework codified by the United Nations is the most universally accepted and carries the broadest reach internationally, but it does not exist in isolation. Regional international bodies also have worked to complement the UN’s regulatory regime and implement its goals. In February 2004, the European Union (EU) enacted binding legislation to regulate chemical control monitoring between all of its 27 member states. External trade between the European Union and international actors has been similarly covered since January 2005. This EU legislation has been subsequently enhanced by additional implementing legislation, as well as by less formally-binding measures to promote voluntary cooperation with private industry to implement best-practices for preventing diversion. The United States and the EU have had an agreement in place to cooperate on chemical control issues since 1997, and policy coordination has taken place regularly through regular bilateral meetings alternating between Washington and Brussels. The EU also has actively collaborated with the U.S. on multilateral chemical control initiatives, including CND resolutions. The Organization of American States also is engaged on the issue of chemical control.

Diversion Methods

From the wide variety of chemicals that are needed for legitimate commercial and pharmaceutical purposes, a relatively small number also can be misused for the production of illegal drugs. Drug traffickers rarely produce these chemicals independently, as this would require advanced technical skills and a sophisticated infrastructure that would be difficult to conceal. Instead, criminals most often illegally divert the chemicals that they need from otherwise licit trade. Diversion from licit trade takes two main forms. First, the chemicals may be purchased from manufacturers or distributors. This can be done directly by traffickers or through unsuspecting or complicit third parties. Chemical producers also may be complicit in diversion schemes, but this is less frequent; most diversion takes place due to the ability of criminals to exploit gaps in the regulatory framework in place to monitor the trade in drug precursors and identify suspicious transactions. The supply chains for chemicals can be very complex, with several intermediary “traders” located between a manufacturer and an end user. This complex supply chain makes it more difficult for governments to pick the right point to intervene with regulatory control regimes and licensing.



International trade in precursor chemicals can be exploited by traffickers through a variety of means. Chemicals can be imported legally into drug-producing countries with official import permits and subsequently diverted—sometimes smuggled into neighboring drug-producing countries. Particularly in parts of the developing world, traffickers can simply pick the path of least resistance and arrange for chemicals to be shipped to countries where no viable regulatory systems exist for their control. Criminals also employ stratagems to conceal their true identities and the controlled chemicals that they require. Often, traffickers conceal their identity by using front-companies or by misusing the names of well-known legitimate companies. They also may obtain chemicals by bribing or blackmailing the employees of legitimate companies, or by disguising the destination or nature of chemical shipments by mislabeling or re-packaging controlled chemicals as unregulated materials.

ROUTES OF DIVERSION: International



The second major form of diversion is through theft, from either storage or during transit. Criminals often have employed violence to steal chemical supplies. For example, in Mexico in July 2006, four guards were killed during a theft of 1,000 kilograms of ephedrine.

Transshipment or smuggling from third countries into drug producing countries appears to be increasing, mainly in response to the increasing efforts of more countries to implement legislative and administrative controls to prevent diversion from legitimate commercial trade. Criminals also are taking greater advantage of finished pharmaceutical products by extracting their precursor chemical ingredients, particularly those containing pseudoephedrine, a key precursor for methamphetamine. Pharmaceutical preparations are not controlled by the 1988 UN Drug Control Convention, and can be traded internationally without being subject to the reporting requirements in place for raw or bulk chemicals.

2007 Chemical Diversion Control Trends and Initiatives

The United States is a leader in international chemical control efforts, but the diffuse nature of the threat requires international cooperation and commitment if we are to be effective. To increase our impact, the United States works closely with other governments and the multilateral institutions that have long underpinned international drug control, principally the United Nations and its affiliated International Narcotics Control Board (INCB). The INCB in particular is a strong ally to the United States in coordinating international efforts to combat the production and spread of illegal drugs through cutting off sources of precursor chemicals. In 2007, the INCB coordinated several law enforcement operations that bore notable results.

The most significant INCB-coordinated operation was Operation Crystal Flow, a time-limited operation developed under the ongoing Project Prism (a group of national law enforcement authorities from 127 countries working together to prevent diversion of controlled chemicals) that focused on the trade of ephedrine, pseudoephedrine and pharmaceutical preparations containing both chemicals. The law enforcement agencies of 65 countries took part in this operation, which was motivated by strong concerns that large amounts of these precursors were being diverted

across Asia, Africa and Latin America into illicit channels to and throughout North America to be used for the manufacture of methamphetamine. This operation was conducted over a six-month period from January through June 2007, and its major elements included: the sending of pre-export notifications by using the INCB's online system for reporting shipments of ephedrine, pseudoephedrine, ephedra, including pharmaceutical preparations to the extent possible; the verification of the legitimacy of importers and end-users; the identification of suspicious transactions; in the event of identifying suspicious transactions, law enforcement information-sharing among the regional task force members; the launching of backtracking investigations in the event of seizures and stopped shipments; and conducting controlled deliveries in the event of seizures. The INCB Secretariat served as a global focal point for the exchange of information.

Crystal Flow was hugely successful and led to over 53 tons of ephedrine and pseudoephedrine being suspended, stopped, or seized. These chemicals were capable of producing approximately 48 tons of methamphetamine with an estimated street value of approximately \$4.8 billion. In addition to the tangible law enforcement results reflected in the seizures, the operation generated unprecedented cooperation between law enforcement agencies of countries that had rarely taken part in joint-investigations previously. These countries included producer, transit and recipient countries of precursor chemicals from six continents, and this shared networking produced a solid foundation for future cooperation.

Crystal Flow also identified the African continent as a major transit point for trafficking. In total, over 47 tons of ephedrine and pseudoephedrine were prevented from being diverted to or through Africa. One of the most commonly used methods of diversion in 2007 was the falsification of import permits. The chemical regulatory and law enforcement capacities of governments in this region are currently not adequate to the scale of this challenge, and controls over pharmaceutical preparations are often non-existent or less stringent than in other parts of the world.

As the source of 93 percent of the world's opium poppy and location of an increasingly high percentage of heroin production, Afghanistan remains one of the world's most challenging drug control environments on a variety of fronts, including precursor chemical control. In 2007, the United States joined with international partners to bring new focus on precursor chemical trafficking through and around Afghanistan and its neighbors by convening a first-of-its kind meeting of governments and chemical control experts under the UNODC Paris Pact law enforcement coordination mechanism. The conference sought to expand international cooperation between law enforcement agencies active in border control through and around Afghanistan, and brought together 94 participants from 27 countries and 10 international organizations. The meeting identified recommended practices and lessons learned for investigating illicit trafficking in acetic anhydride across the region, and endorsed a proposal for time-limited targeted operations in Afghanistan and neighbouring countries to be held in 2008, "Operation Tarcet."

These future operations will build on INCB-coordinated interdiction operations that continued throughout 2007 in the region, particularly Operation Containment. Operation Containment is a large-scale multinational law enforcement initiative, under the leadership of the DEA and underway since 2002, that emphasizes coordination and information sharing among countries from Central Asia, the Caucasus, Europe and the Russian Federation. The program aims to implement joint strategies to tackle the issue of drug trafficking organizations and its primary goal is to seize as much heroin as possible out of South West Asia before it reaches its market. Since 2002 the operation has resulted in 23 significant seizures of narcotics and precursor chemicals, major arrests and intelligence gathering.

Methamphetamine production, transit, and consumption remain significant problems in Asia. To help stem production, trafficking, and abuse in East and South East Asia, the U.S. supported bilateral and multilateral initiatives in 2007 that included UNODC's project to promote regional

cooperation for precursor chemical control in the South East Asian region. The U.S. Department of Defense through Joint Interagency Task Force (JIATF) West also continues to support Interagency Fusion Centers (IFCs) in various partner nations throughout Asia. The mission of the IFCs is to contribute to developing host nation infrastructure and aid local law enforcement to fuse and share information to detect, disrupt and dismantle drug and drug-related national and transnational threats. Our efforts have helped local enforcement officials to improve their investigative skills and encouraged cooperation across borders, a prerequisite for success in controlling this intrinsically international business. The United States also has provided law enforcement training to Indonesia and the Philippines, including basic drug investigations, chemical control, and clandestine laboratory identification (and clean-up) training. These relatively low-cost programs help to encourage international cooperation with these countries in pursuing our common counternarcotics and broader geopolitical objectives with the countries of the region, as well as undercut illegal drug producers that could eventually turn their sights on U.S. markets.

The vast majority of illegal drugs entering the United States continue to originate from within the Western Hemisphere. Potassium permanganate is an oxidizer that has many legitimate industrial uses such as wastewater treatment, disinfecting, and deodorizing. It is also the primary chemical precursor used in the production of cocaine. Its main illicit use is to remove the impurities from cocaine base. Potassium permanganate also can be combined with pseudoephedrine to produce methcathinone, a synthetic stimulant that is also a controlled substance.

In July 2007, Mexican authorities seized 20,000 kilograms of potassium permanganate at the Port of Manzanillo, in Mexico, that originated in Taiwan. These same two companies involved in this shipment were serial offenders, having been involved in two similar shipments of approximately 20 tons of potassium permanganate that were seized at the Port of Manzanillo, Colima, Mexico, in October 2006 and November 2005. The November 2005 seizure was the subject of a Special Alert under Project Cohesion, an INCB project designed, among other things, to target the flow of potassium permanganate.

2007 also saw progress in the development of a more complete and systematic reporting regime covering the international trade in synthetic drug precursors. In 2006, a U.S.-sponsored resolution entitled *Strengthening Systems for Control of Precursor Chemicals Used in the Manufacture of Synthetic Drugs* was adopted by consensus at the 49th UN Commission on Narcotic Drugs (CND). This resolution provided a way to institutionalize the process for collecting information on synthetic drug precursor chemicals. Specifically, the resolution requests that countries provide the INCB with annual estimates of their legitimate requirements for methamphetamine precursors pseudoephedrine, ephedrine, and phenyl-2-propanone (P2P); the Ecstasy precursor PMK; and the pharmaceutical preparations containing these substances. The resolution also requests countries to permit the INCB to share such information with concerned law enforcement and regulatory agencies.

Over the past year, the U.S. worked with the INCB and other international allies to urge countries to take steps towards implementing this resolution. This has not been a simple task for many developing countries, as it requires as a prerequisite a considerable infrastructure of commercial information and regulation. Considerable progress has been made, however, and at the end of 2007, the INCB reports that more than 100 countries and jurisdictions are now cooperating and providing voluntary reporting on their licit requirements for the aforementioned chemicals. The INCB has published the data collected in its annual report on precursor chemicals and updates the information regularly on its website. The data serves as a baseline for authorities in importing and exporting countries, facilitating quick “reality checks” on the chemicals and the quantities proposed in commercial transactions. Such checks enable authorities to determine whether importation is warranted – or, if no legitimate commercial use is apparent, whether pending shipments require additional law enforcement scrutiny.

To promote the full implementation of the CND resolution and support ongoing INCB activities, including Project Prism, the Department of State contributed \$700,000 in Fiscal Year 2006 funds and an additional \$700,000 in Fiscal Year 2007 funds, which more than doubles the previous contributions made during any prior fiscal year.

Additional success also was achieved in 2007 by attacking the finances of chemical diversion traders. The highlight of this tactical approach was the 2007 arrest by U.S. law enforcement of Zhenli Ye Gon, a Chinese-born Mexico City businessman. In March of 2007, Mexican officials found and seized more than \$200 million in U.S. currency, as well as various foreign currencies hidden in his mansion in Mexico City. This is the largest single seizure of drug cash in history. Mr. Ye Gon has been indicted in Washington on federal charges of conspiring to manufacture methamphetamine destined for the United States. In addition, Mexican prosecutors have charged Mr. Ye Gon with drug trafficking, money laundering, and weapons possession for his alleged role in illegally importing 19 tons of pseudoephedrine, and have requested his extradition. In the coming year, U.S. law enforcement will continue to target the financial vulnerabilities of chemical diversion financiers and make greater use of asset seizure laws wherever possible.

The Road Ahead

The U.S. will continue to encourage other countries to actively provide information on legitimate commercial precursor chemical shipments and estimates on legitimate commercial needs to the INCB, and to provide the necessary support to the INCB to enable it to fulfill its expanding role. We also will urge the international community to include this subject for discussion in upcoming international fora, including the 51st CND in March 2008 and its subsequent review of progress achieved in combating ATS since the 1998 UN General Assembly Special Session on Drugs (UNGASS). The UNGASS review also will be another opportunity to champion international cooperation to prevent the diversion of precursor chemicals. The Department of State, DEA, and ONDCP also will work to identify new mechanisms that might promote the broader exchange of information and expertise pertinent to the control of methamphetamine and other synthetics.

In addition, a major forum to advance methamphetamine controls in this hemisphere is the Inter-American Drug Abuse Control Commission (CICAD), the counternarcotics arm of the Organization of American States (OAS). OAS/CICAD receives considerable U.S. funding to counter the trafficking and abuse of illegal drugs, including methamphetamine. Guided at the policy level by the CICAD Commissioners (delegates from 34 Member States in the region), the Supply Reduction Unit of CICAD carries out a variety of initiatives in this important field supported by its Experts Groups on Chemicals and Pharmaceuticals, which usually meet annually.

The issue of precursor chemicals and the need to tighten controls in the Western Hemisphere has been upgraded politically and practically via the OAS/CICAD's Multilateral Evaluation Mechanism (MEM), through which the 34 Member States evaluate drug control progress and take initiatives to advance steps across the board against illegal drug trafficking. Through the MEM, countries have received many recommendations with respect to chemical controls. While implementation of these recommendations still requires additional follow-through, there is a very clear understanding of where improvements need to be made, and governments as well as the private sector are seeking to remedy the situation through increased funding, revision of laws, training and other means of monitoring of chemical transshipments.

In 2007, OAS/CICAD held five specialized training seminars with participants from 15 countries in Latin America and the Caribbean on tools and techniques available to investigate illegal sales of drugs over the internet. OAS/CICAD also coordinated training seminars throughout the region on topics that included the contributions of the private sector in preventing the diversion of precursor chemicals and the safe disposal of seized chemicals.

The increase in the use of unregulated substitute chemicals in synthetic drug manufacture also will require more attention. The United States highlighted this problem at the March 2007 session of the Commission on Narcotic Drugs, and the United States will continue urging governments to notify the INCB and other international partners as they discover this usage. This will facilitate a quick reaction to the substitute chemicals, and allow the INCB to update its surveillance list of chemicals not included in the 1988 UN Drug Control Convention that are being used in illicit drug manufacture.

The United States will need to continue and expand its work with governments across the Western Hemisphere to counter the efforts of criminals seeking to circumvent stricter diversion-prevention efforts in the U.S. and Mexico. In 2007, DEA joined with the UN Office on Drugs and Crime (UNODC) and two components of the Government of Mexico – the chemical and drug regulatory entity COFREPRIS and the Mexican Attorney General's Office (PGR) – in an ambitious program of assessment and training to prepare Central American governments to respond to nascent chemical diversion through their territories. Further efforts will be needed to continue and consolidate those efforts.

The United States also will consider additional ways in which it might increase cooperation with international chemical producers and transporters in the private sector in order to promote effective diversion-prevention practices. The INCB recently convened an international conference attended by chemical control experts and international chemical industry representatives to discuss guidelines for such public/private sector cooperation on diversion prevention. Working with our international partners, the U.S. will consider follow-up activities to build on this outreach and implement stronger voluntary measures.

Major Chemical Source Countries and Territories

The countries included in this section are those with large chemical manufacturing or trading industries that have significant trade with drug-producing regions, and those countries with significant chemical commerce susceptible to diversion domestically for smuggling into neighboring drug-producing countries. Designation as a major chemical source country does not indicate a country lacks adequate chemical control legislation and the ability to enforce it. Rather, it recognizes that the volume of chemical trade with drug-producing regions, or proximity to them, makes these countries the sources of the greatest quantities of chemicals liable to diversion. The United States, with its large chemical industry and extensive trade with drug-producing regions, is included on the list.

Many other countries manufacture and trade in chemicals, but not on the same scale, or with the broad range of precursor chemicals, as the countries in this section.

Article 12 of the 1988 UN Drug Convention is the international standard for national chemical control regimes and for international cooperation in their implementation. The annex to the Convention lists the 23 chemicals most essential to illicit drug manufacture. The Convention includes provisions for the Parties to maintain records on transactions involving these chemicals, and to provide for their seizure if there is sufficient evidence that they are intended for illicit drug manufacture.

The Americas

Argentina

Argentina is one of South America's largest producers of precursor chemicals, which are vulnerable to diversion for use in the processing of cocaine and other illegal narcotics.

Argentina is a party to the 1988 UN Drug Convention and has laws meeting the Convention's requirements for record keeping, import and export licensing, and the authority to suspend shipments. Presidential decrees have placed controls on precursor and essential chemicals, requiring that all manufacturers, importers or exporters, transporters, and distributors of these chemicals be registered with the Secretariat for the Prevention of Drug Addiction and Narcotics Trafficking (SEDRONAR). In 2005, legislation was passed giving the SEDRONAR registry system the force of law. This increased its ability to regulate the distribution of precursors and impose fines on those who transport and sell unregistered chemicals. To date, the National Registry of Precursor Chemicals has registered 6,658 companies. In May 2007, SEDRONAR and the National Institute of Vitivincultura (grape and wine producers) signed an agreement registering another 3,278 companies in the Registry. In the first seven months of 2007, the Registry added 1,019 new companies, re-registered 3,084, and issued 302 export authorizations and 1,349 import authorizations.

With DEA support, Argentina continues to participate in Project Cohesion and the regional Operation Seis Fronteras ("Six Frontiers"). Argentina also participates in "Operation Andes III," a joint program sponsored by Interpol and the World Customs Organization (WCO) to coordinate the interdiction of precursor chemicals in South America. Participants included national police and customs agencies from Argentina, Brazil, Bolivia, Chile, Colombia, Ecuador, French Guyana,

Paraguay, Peru, Uruguay and Venezuela. U.S. Immigration and Customs Enforcement (ICE) provided advisory support for precursor shipment identification and investigative response.

Argentine authorities willingly share chemical control information with U.S. authorities. From January 2006 through September 2006, the DEA-funded Northern Border Task Force (NBTF) seized approximately 684,220 kilograms of illicit chemicals, a significant increase over the amount of illicit chemicals seized during the same periods in 2005 and 2004.

Brazil

Brazil has South America's largest chemical industry and also imports significant quantities of chemicals to meet its industrial needs. Brazil's Justice Ministry issued a decree in August 2004 that includes stringent chemical control provisions to prevent the manufacture of illicit drugs. The decree established controls on 146 chemicals that can be utilized in the manufacture of drugs, and requires the registration with the Brazilian Federal Police of all companies that handle, import, export, manufacture, or distribute any of these chemicals. There are approximately 25,000 companies registered with the police. The registered companies are required to send a monthly report to the Brazilian Federal Police on the usage, purchases, sales, and inventory of these chemicals. Any person or company that is involved in the purchase, transportation or use of these substances must have a certificate of approval of operation, real estate registry, or special license issued by the police. Companies that handle the 22 most sensitive substances with regard to drug production also are regulated by the Ministry of Health's National Sanitary Vigilance Agency.

Brazil is a party to the 1988 UN Drug Convention and these legislative provisions meet the chemical control requirements. The country also participates and supports the multilateral chemical control initiatives Project Cohesion, Project Prism, and the regional Operation Seis Fronteras. In conjunction with Project Cohesion, the Brazilian Federal Police have agreed to work with DEA to perform a study on the use of acetic anhydride within the country and its exportation from the country. US/Brazil cooperation in other areas of chemical control is good, and the Brazilian Federal Police make records relating to chemical transactions available when requested. The Brazilian Federal Police also respond to Pre-Export Notifications of controlled chemicals in a timely fashion. DEA has a Diversion Investigator assigned to its Brasilia office.

Canada

Canada is a producer and transit country for precursor chemicals and over-the-counter pharmaceuticals used to produce synthetic drugs, particularly methamphetamine and MDMA (Ecstasy). The United States has worked closely with Canada in countering these threats, and the Government of Canada has made a serious effort to curb the diversion of precursor chemicals that are required for methamphetamine production to feed domestic and U.S. illegal markets. Canadian law enforcement authorities also have worked productively with U.S. counterparts in joint law enforcement operations that have disrupted drug and currency smuggling operations along both sides of the border. Although U.S.-Canadian law enforcement cooperation and the strengthening of Canadian chemical control laws and enforcement have helped to significantly reduce the amount of Canadian-sourced pseudoephedrine discovered in clandestine U.S. methamphetamine labs, there is some evidence that Canada's domestic production of methamphetamine and MDMA is increasing – a situation which will require careful monitoring on both sides of the border. We will continue to work closely with our Canadian partners to identify and dismantle methamphetamine laboratories, and to prevent further illicit diversion of precursor chemicals.

Canada is a party to the 1988 UN Convention and complies with its record keeping requirements. Canada participates in Project Prism, targeting synthetic drug chemicals, and is a member of the

North American working group. Although it supports Project Cohesion and contributes on an ad hoc basis, it is not actively engaged in it.

Chile

Chile has a large petrochemical industry involved in the manufacturing, importation, and exportation of thousands of chemical products and by-products. Chile is a source of precursor chemicals for use in coca processing in Peru and Bolivia. In 2003, Chilean law enforcement entities began to take a greater interest in chemical diversion within Chile and created specialized chemical diversion units. Since the creation of these units, and with international law enforcement cooperation, Chilean precursor chemical seizures have increased. In 2007, regulations also were approved to implement a 2005 law that established new authorities to register and inspect companies that produce, use, import or export any of 65 types of legally produced chemicals that also are used in the production of illegal drugs.

Mexico

Mexico has major chemical manufacturing and trading industries that produce, import, and export most of the chemicals necessary for illicit drug manufacture. The country is party to the 1988 UN Drug Convention and has laws and regulations meeting its chemical requirements. Mexican chemical control initiatives are now concentrating on methamphetamine precursors. The United States works closely with the Government of Mexico on a wide range of counternarcotics, law enforcement, and border security initiatives, and provides assistance and training that specifically targets methamphetamine production and trafficking.

Mexico is aware of the methamphetamine threat and is making progress in limiting imports of the essential chemicals used to produce methamphetamine. Between 2002 and 2004, Mexico recognized that these imports far exceeded legitimate demand, and the government enacted a series of regulations and policies to restrict imports and better regulate the sale of precursor chemicals. First, between 2004 and 2005, the Mexican government banned pseudoephedrine imports of over three tons, restricted the importation of pseudoephedrine to only registered drug manufacturers, and required that pseudoephedrine in transit be kept under armed guard. Prior to 2004, Mexico had not implemented strong precursor controls, resulting in the importation of 216 metric tons of pseudoephedrine. In 2007, unofficial estimates are that only 12 tons were imported. In September 2007, the Government of Mexico determined that it would issue no further licenses for the importation of ephedrine, pseudoephedrine, and products containing these chemicals. Sellers of ephedrine and pseudoephedrine products must deplete their remaining stores of products containing these chemicals by 2009, after which use of these products will be illegal in Mexico. This new policy is a bold move that promises to significantly disrupt the methamphetamine trade in the years ahead.

The Mexican government also is improving commercial tracking systems of precursor chemicals, and is enhancing its ability to detect possible front companies and counter illicit financial transactions related to methamphetamine trafficking. However, the threat of illegal smuggling of precursor chemicals and pharmaceutical preparations from third countries into Mexico will continue to be a challenge.

With support and funding from the U.S. Department of State's Bureau for International Narcotics and Law Enforcement Affairs (INL), DEA has assisted in the establishment of Mexican Clandestine Laboratory Response Teams to target organizations involved in the operation of clandestine methamphetamine labs, and have provided four training courses in 2007 to over 250 law enforcement personnel, including one course specifically concerning Clandestine

Methamphetamine Labs. To date, the Government of Mexico has trained over 2,100 law enforcement and public safety officers in methamphetamine enforcement techniques.

Newly vetted law enforcement personnel trained in methamphetamine investigations have been assigned to five major methamphetamine production areas in Mexico. The U.S. also is supporting the new Federal Police Corps and its Special Investigative Units (SIUs) with specialized equipment, vehicles and computers. The U.S. Department of State also is providing equipment and maintenance support for previously donated CLANLAB vehicles specially designed to take down methamphetamine laboratories, such as safety/toxin suits and emergency chemical trauma kits. In 2007, 16 methamphetamine labs were seized, including one super lab. The U.S. is also providing non-intrusive inspection equipment (NIIE) to the Mexican Government to interdict contraband, including precursor chemicals. NIIE is state-of-the-art systems that scan cargo containers and passenger luggage. Thirteen large gamma ray devices (VACIS) are located at land border crossings, one unit is located in Mexico City, and three mobile units are deployed throughout Mexico. Three x-ray vans are located at international airports. INL also plans to add six or more additional NIIEs at the U.S. land border, sea/airports, and southern Mexico this fiscal year. As part of our overall counternarcotics programs, INL also plans to promote education and public awareness concerning the rising threat of methamphetamines in Mexico and the environmental impact of its production.

The United States

The United States manufactures and/or trades in all 23 chemicals listed in Tables I and II of the 1988 UN Drug Convention. It is a party to the Convention and has laws and regulations meeting its chemical control provisions.

The basic U.S. chemical control law is the Chemical Diversion and Trafficking Act of 1988. This law and 5 subsequent chemical control amendments were all designed as amendments to U.S. controlled substances laws, rather than stand-alone legislation. The Drug Enforcement Administration (DEA) is responsible for administering them. In addition to registration and record keeping requirements, the legislation requires traders to file import/export declarations at least 15 days prior to shipment of regulated chemicals. DEA uses the 15-day period to determine if the consignee has a legitimate need for the chemical. Diversion investigators and special agents work closely with exporting and receiving country officials in this process. If legitimate end-use cannot be determined, the legislation gives DEA the authority to stop shipments.

U.S. legislation also requires chemical traders to report to DEA suspicious transactions such as those involving extraordinary quantities, unusual methods of payment, etc. Close cooperation has developed between the U.S. chemical industry and DEA in the course of implementing the legislation. Criminal penalties for chemical diversion are strict; they are tied to the quantities of drugs that could have been produced with the diverted chemicals. Persons and companies engaged in chemical diversion have been aggressively and routinely subjected to civil and criminal prosecution and revocation of DEA registration.

The U.S. has played a leading role in the design, promotion and implementation of cooperative multilateral chemical control initiatives. It is actively working with other concerned countries, the United Nations Office of Drugs and Crime (UNODC), and the International Narcotics Control Board (INCB) to develop information sharing procedures to better control pseudoephedrine and ephedrine, the principal precursors for methamphetamine production. It is on a task force for both Operation Cohesion and Project Prism. It also has established close operational cooperation with counterparts in major chemical manufacturing and trading countries. This cooperation includes information sharing in support of chemical control programs and in the investigation of diversion attempts.

Asia

China

China has one of the world's largest chemical industries, producing large quantities of chemicals that can be used for illicit drug manufacture such as acetic anhydride, potassium permanganate, piperonylmethylketone (PMK) and pseudoephedrine and ephedrine. The country is a party to the 1988 UN Drug Convention and has laws and regulations meeting or exceeding the Conventions requirements. A November 2005 administrative law strengthening chemical control included provisions to control domestic chemical sales; previous laws and regulations focused solely on imports and exports. Chinese law regulates drug preparations containing precursor chemicals, but as medicines rather than regulated chemicals. Despite the adequate legislation, the size of China's chemical industry is not matched by a law enforcement structure adequate to effectively monitor all its production and domestic and international trade. The sheer scale of China's chemical industry—nearly 80,000 chemical companies, according to one estimate—presents widespread opportunities for chemical diversion, and regulatory oversight remains a major challenge for China's central authorities, particularly in some provinces. Although provincial police are taking a more active role to investigate illicit chemical transactions, the lack of officers assigned to investigate these potential diversions on a full-time basis may mean many suspect and clearly illicit transactions go unnoticed. It is also unclear whether sufficient controls exist to safeguard the storage and transit of precursor chemicals, and drug preparations containing them, across the country to guard against theft.

China is a major producer of licit ephedrine and pseudoephedrine, as well as ephedra, all of which can be used in the manufacture of methamphetamine. There is a widespread belief among law enforcement agencies, worldwide, that large-scale illicit methamphetamine producers in other countries use Chinese-produced ephedrine and pseudoephedrine, and there are numerous examples from criminal investigations to confirm this suspicion. Diverted Chinese precursor chemicals may undergo synthetic drug production in other countries as far away as Mexico, Belgium, and the Netherlands. Although China enacted enhanced precursor chemical control laws in November 2005 and is fully engaged in multilateral and bilateral efforts to stop diversion from its chemical production sector, Chinese efforts have not matched the size of its enormous chemical industry with sufficient resources to effectively ensure against diversion.

In 2006, the State Food and Drug Administration, the Ministry of Commerce, and Customs held 1,300 training courses for 47,500 law enforcement officers on precursor chemicals. According to the National Narcotics Control Commission (NNCC) 2006 report, China established an inter-agency working group to help tighten control of precursor chemicals. According to the NNCC, various Chinese ministries and agencies began to exchange data on the production, use, and export destination of precursor chemicals.

According to the NNCC, Chinese authorities investigated 968 cases involving precursor chemicals in 2006 and seized 1461 metric tons of precursor chemicals, a significant increase over the 157 tons reported seized in 2005. Sichuan Province inspected 2638 chemical enterprises, found 42 instances of illegal activity and corrected them. It solved five cases involving the illegal purchase and sale of precursor chemicals and seized 142 tons of chemicals. In 2006 the NNCC issued 747 precursor chemical pre-export notifications involving 89,318 MT of precursor chemicals. Statistics for 2007 were not available by the time of publication.

China continues to take earnest efforts to act as a partner with the United States and other concerned countries in international chemical control initiatives targeting the precursors of greatest current concern. These are Project Cohesion tracking acetic anhydride and potassium permanganate and Project Prism targeting synthetic drug chemicals. In addition, the NNCC issues

Pre-Export Notifications for all proposed transactions in bulk ephedrine and pseudoephedrine and requires a Letter of No Objection from the importing country before authorizing shipments.

U.S. and Chinese cooperation in chemical control is good, within the limits of China's capabilities. Information is exchanged within the frameworks of Projects Cohesion and Prism and in the course of normal counternarcotics cooperation. China is the Asian representative on the Project Prism Task Force. China is also a participant in Operation Icebreaker, an effort to combat diversion of precursor chemicals for the production of crystal methamphetamine. DEA has Diversion Investigator positions in its Beijing and Hong Kong offices. In July 2006, the Office of National Drug Control Policy (ONDCP) and the NNCC signed a Memorandum of Intent on behalf of their two countries to increase cooperation in combating drug trafficking and abuse.

India

India's large chemical industry manufactures a wide range of chemicals, including the precursor chemicals acetic anhydride, ephedrine, and pseudoephedrine, which can be diverted for illicit drug manufacture.

India is a party to the 1988 UN Drug Convention, but it does not have controls on all the chemicals listed in the Convention. The GOI controls acetic anhydride, N-acetylanthranilic acid, anthranilic acid, ephedrine, pseudoephedrine, potassium permanganate, ergotamine, 3, 4-methylenedioxyphenyl-2-propanone, 1-phenyl-2-propanone, piperonal, and methyl ethyl ketone, all chemicals listed in the convention. Indian law allows the government to place other chemicals under control. Violation of any order regulating controlled substance precursors is an offense under the Narcotics Drugs and Psychotropic Substances Act, the key law controlling trafficking and is punishable with imprisonment of up to ten years. Intentional diversion of any substance, whether controlled or not, to illicit drug manufacture is also punishable under the Act.

The Indian Government in partnership with the Indian Chemical Manufacturing Association imposes controls on acetic anhydride, a key heroin chemical. Chemical manufacturers visit customers to verify the legitimacy of their requirements, and shipments are secured with specially fabricated sealing systems to prevent diversion. Domestic and export sales of acetic anhydride require a letter of no objection from the government.

Indian authorities cooperate with U.S. authorities on letters of no objection and verification of end-users, especially with regard to ephedrine and pseudoephedrine. Information is shared between Indian and U.S. authorities and India is a participant in Project Cohesion and Project Prism. DEA has a Diversion Investigator assigned to its New Delhi office.

A joint investigation by the DEA and India's Narcotics Control Bureau (NCB) in 2005 led to the dismantling of a major international pharmaceutical drug organization that was distributing controlled pharmaceuticals such as bulk ephedrine (a controlled precursor chemical) and ketamine (a Schedule III non-narcotic controlled substance in the U.S.) internationally through the Internet. The international drug trafficking ring, responsible for this criminal activity consisted of over 20 individuals in the U.S. and India, and may have had as many as 80,000 retail customers. The 108 kg of Indian ketamine seized in the U.S. was valued at \$1.62 million. The total amount of U.S. money and property seized in this investigation was \$2 million dollars in India and \$6 million in the United States. In another joint investigation, DEA and NCB cooperated to take down another Internet pharmacy, resulting in the arrest of seven individuals in the United States and five in India.

Subsequent joint investigations have shown the continuing use of the Internet and commercial courier services to distribute drugs and pharmaceuticals of all kinds from India to the U.S. and other countries. Although ephedrine seizures within India were down in 2007, one seizure in the

U.S. in September 2007 found 523 kg of ephedrine shipped through commercial carrier from India through the U.S. and headed to Mexico. The shipment was disguised as green tea extract.

India is also increasingly emerging as a manufacturer and supplier of licit opiate/psychotropic pharmaceuticals (LOPPS), both organic and synthetic, to the Middle East, Pakistan, Bangladesh and Afghanistan. Some of the LOPPS are licitly manufactured and then diverted, often in bulk. Some of the LOPPS are illicitly manufactured as well. Indian-origin LOPPS and other controlled pharmaceutical substances are increasingly being shipped to the United States. DHS Customs and Border Protection are intercepting thousands of illegal “personal use” shipments in the mail system in the United States each year. These “personal use” quantity shipments are usually too small to garner much interest by themselves, and most appear to be the result of illegal Internet sales.

Singapore

Singapore is a major importer of ephedrine, a precursor for methamphetamine. The quantities not re-exported are used primarily by the domestic pharmaceutical industry. To date, no domestic clandestine methamphetamine production has been detected in Singapore. Singapore’s position as one of the world’s largest importers of ephedrine and pseudoephedrine parallels the rapid growth of pharmaceutical and biomedical industries in the country. On a combined basis, the pharmaceutical industry currently accounts for nearly 8 percent of Singapore’s GDP, up from less than one percent in 2000. Singapore is also one of the largest distributors of acetic anhydride in Asia. Used in film processing and the manufacture of plastics, pharmaceuticals, and industrial chemicals, acetic anhydride is also the primary acetylating agent for heroin.

Singapore participates in multilateral precursor chemical control programs, including Projects Cohesion and Prism, and is involved in law enforcement initiatives developed under these projects to halt worldwide diversion of precursors to illicit chemical trafficking and drug manufacturing organizations. The Singapore Central Narcotics Bureau (CNB) works closely with DEA to track the import of precursor chemicals for legitimate processing and use in Singapore. CNB’s precursor unit monitors and investigates any suspected domestic diversion of precursors for illicit use.

Singapore is a party to the 1988 UN Drug Convention and controls precursor chemicals, including pseudoephedrine and ephedrine, in accordance with its provisions. Singapore will not authorize imports of precursors until it has issued a “No Objection” letter in response to the exporting country’s pre-export notification. Pre-export notifications are issued on all exports; transshipment cases are treated as an import followed by an export. The Government of Singapore conducts rigorous site visits on companies dealing with controlled chemicals to ensure awareness of the requirements and overall compliance.

South Korea

With one of the most developed commercial infrastructures in the region, South Korea is an attractive location for criminals to obtain precursor chemicals. South Korea produces and exports precursor chemicals such as acetone, toluene, and sulfuric acid. Transshipment through South Korea’s ports remains a serious problem, and its authorities recognize the country’s vulnerability as a transshipment nexus and have undertaken greater efforts to educate shipping companies of the risk. South Korea cooperates with international efforts to monitor and investigate transshipment cases. In the previous year, South Korean authorities and the DEA Seoul Country Office completed a modified controlled delivery of crystal methamphetamine originally intended for transshipment through South Korea from China to Guam, resulting in the dismantling of an international methamphetamine organization. Redoubled efforts by the Korean Customs Service also have resulted in increased seizures of methamphetamine (most of which is smuggled into South Korea from China).

In 2007, South Korean authorities discovered a mobile clandestine lab that had been used to produce small amounts of methamphetamine from legally-obtained cold medicines. In response, the South Korean government implemented stricter controls on the purchase of over-the-counter medicines containing ephedrine and pseudoephedrine, requiring customer registration for quantities greater than a standard three-day dose. Also in 2007, the Korean Food and Drug Administration (KFDA) continued to implement stronger precursor chemical controls under amended legislation approved in 2005. The KFDA continued its efforts to educate companies and train its regulatory investigators on the enhanced regulations and procedures for monitoring the precursor chemical program. The KFDA also implemented in 2007 new regulatory oversight procedures to track and address diversion of narcotics and psychotropic substances from medical facilities.

Taiwan

Taiwan has a globally competitive chemical industry, exporting specialty industrial chemicals and resins for plastics production as well as importing solvents and cleaning materials for the high-tech electronics sector. On an international level, Taiwan has experienced problems resulting from chemical diversion and illicit drug trafficking, but has taken measures to prevent and monitor chemical diversion. The Ministry of Justice Investigation Bureau and Taiwan Customs are progressing in discussions with DEA regarding a precursor chemical initiative. Although Taiwan is not a member of the United Nations and therefore cannot be a party to the 1988 UN Drug Convention, Taiwan authorities have taken measures to comply with the convention. Of the twenty-two (22) chemical precursors listed in the 1992 additions to the UN Anti-Drug Convention, five (5) chemicals to include ephedrine and pseudoephedrine fall under the scope of the Executive Yuan's (EY) Department of Health. The other seventeen (17) precursor chemicals including acetic anhydride and potassium permanganate are considered industrial raw materials, and are controlled by the Ministry of Economic Affairs (MOEA), Industrial Development Bureau. The MOEA provides specific guidance for reporting precursor chemicals as industrial raw materials for the prevention of diversion into drug manufacturing. It also provides related manufacturers and businesses with information concerning which items to report and procedures for reporting. Although Taiwan's Department of Health regulates ephedrine and pseudoephedrine, pharmaceuticals containing these chemicals are not controlled.

Thailand

Thailand's chemical control policy is established in the "Emergency Decree on Controlling the use of Volatile Substances B.E. 2533 (1990)." Government agencies responsible for chemical controls are the Thai Office of Narcotics Control Board (ONCB) and the Food and Drug Administration, which closely monitor the importation of precursor chemicals. Regular inspections are conducted of companies that import such substances, and every chemical shipment into Thailand is subject to review and selective unloading and search. Thai law provides for a maximum three-year jail term for individuals not complying with required reporting and tracking processes. Thai authorities are vigilant and effective in monitoring imports and the licit use of precursors, but despite strong RTG efforts, limited quantities of certain chemicals—especially acetic anhydride, ephedrine and caffeine—surreptitiously transit Thailand to laboratories in Burma. Most precursor chemicals and substances that transit Thailand originate in Indonesia or Malaysia. Some of the chemicals, like acetic anhydride, are produced in Indonesia while others are brokered through Indonesian chemical houses and transported through Malaysia into Thailand and northward to Thai chemical houses in Chiang Mai or Chiang Rai. ONCB has the responsibility for detecting chemical and precursor diversion, interdicting illicit shipments and monitoring the activities of the chemical trading houses.

Europe

Chemical diversion control within the European Union (EU) is regulated by EU regulations binding on all member states. The regulations are updated regularly, most recently in 2005. The EU regulations meet the chemical control provisions of the 1988 UN Drug Convention, including provisions for record keeping on transactions in controlled chemicals, a system of permits or declarations for exports and imports of regulated chemicals, and authority for governments to suspend chemical shipments. The EU regulations are directly applicable in all 27 of its Member States. Only a few aspects require further implementation through national legislation, such as law enforcement powers and sanctions.

The EU regulations govern the regulatory aspects of chemical diversion control and set up common risk management rules to counter diversion at the EU's borders. Member states are responsible for the criminal aspects, investigating and prosecuting violators of the national laws and regulations necessary for implementing the EU regulations.

The U.S.-EU Chemical Control Agreement, signed May 28, 1997, is the formal basis for U.S. cooperation with the European Commission and EU Member States in chemical control through enhanced regulatory co-operation and mutual assistance. The agreement calls for annual meetings of a Joint Chemical Working Group to review implementation of the agreement and to coordinate positions in other areas. The annual meeting has been particularly useful in coordinating national or joint initiatives such as resolutions at the annual UN Commission on Narcotic Drugs.

Bilateral chemical control cooperation is also good between the U.S. and EU member states, and many are participating in and actively supporting voluntary initiatives such as Project Cohesion and Project Prism. In 2007, The EU established guidelines for private sector operators involved in trading in precursor chemicals, with a view to offering practical guidance on the implementation of the main provisions of EU legislation on precursor chemicals, in particular the prevention of illegal diversion.

Germany and the Netherlands, with large chemical manufacturing or trading sectors and significant trade with drug-producing areas, are considered the major European source countries and points of departure for exported precursor chemicals. Other European countries have important chemical industries, but the level of chemical trade with drug-producing areas is not as large and broad-scale as these countries.

Germany

Germany is one of the large manufacturers and exporters of pseudoephedrine and ephedrine from its large licit pharmaceutical industry. Germany is a party to the 1988 United Nations Convention against Illicit Traffic in Narcotics Drugs and Psychotropic Substances and implements its chemicals control provisions. Furthermore, Germany's chemical control laws are based on EU law and the federal Precursor Control Act. Germany has a strong chemical control program that monitors the chemical industry as well as chemical imports and exports. Cooperation between chemical control officials and the chemical industry is a key element in Germany's chemical control strategy. The Federal Office of Criminal Investigation (BKA) and the Federal Office of Customs Investigation (ZKA) have a very active Joint Precursor Control Center (GUS), based in Wiesbaden, devoted exclusively to chemical diversion investigations. Germany is one of the United States' closest chemical control partners, cooperating both bilaterally and multilaterally, to promote transnational chemical control initiatives. A senior DEA diversion investigator from DEA's Frankfurt office is assigned to the GUS. Germany strongly supports the international initiatives, Project Cohesion and Project Prism, to global efforts to control the diversion of chemicals.

The Netherlands

The Netherlands has a large chemical industrial sector that makes it an attractive location for criminals to attempt to obtain chemicals for illicit drug manufacture. There are large chemical storage facilities and Rotterdam is a major chemical shipping port. Currently, there are no indications that the Netherlands is a significant source for methamphetamine chemicals.

The Netherlands is a party to the 1988 UN Drug Convention and 1990 European Union Regulations. Trade in precursor chemicals is governed by the 1995 Act to Prevent Abuse of Chemical Substances (WVMC). The law seeks to prevent the diversion of legal chemicals into the illegal sector. Violations of the law can lead to prison sentences (maximum of six years), fines (up to 50,000 Euros), or asset seizures. The Fiscal and Economic Information and Investigation Service (FIOD-ECD) oversees implementation of the law.

The country remains an important producer of MDMA (Ecstasy), although the amount of this drug reaching the United States seems to have declined substantially in recent years. The Dutch Government has been proactive in meeting this threat. The successful five-year strategy (2002-2006) against the production, trade and consumption of synthetic drugs was endorsed by Parliament in 2007. According to the National Police, the number of Ecstasy tablets seized in the U.S. that could be linked to the Netherlands dropped significantly from 850,000 in 2005 to only 5,390 tablets in 2006. The National Crime Squad's synthetic drug unit and the Public Prosecutor's Office have strengthened cooperation with countries playing an important role in precursor chemicals used in the manufacture of MDMA. Many of the important Ecstasy precursor chemicals originate in China, and the Netherlands signed a Memorandum of Understanding with China concerning chemical precursor investigations in 2004. In 2005, the Dutch assigned a liaison officer to Beijing to promote closer sharing of intelligence on precursor chemical investigations.

The Dutch continue to work closely with the U.S. on precursor chemical controls and investigations. This cooperation includes formal and informal agreements on the exchange of intelligence. The Netherlands helped to establish and is an active participant in the INCB's Project Prism task force, and takes part in other multilateral chemical control initiatives such as Project Cohesion. In May 2007, the Netherlands National Police also joined the DEA's International Drug Enforcement Conference (IDEC) as a full member, and are expected to participate in all IDEC conferences in the future. The Netherlands also hosted the Synthetic Drug Enforcement Conference (SYNDEC III) in November 2007.

The United Kingdom

The United Kingdom is one of world's largest importers of ephedrine and pseudoephedrine, the key precursors for methamphetamine production. The UK strictly enforces national precursor chemical legislation in compliance with EU regulations. Several small clandestine methamphetamine laboratories have been seized in the UK with law enforcement starting to embrace awareness training and strategic planning. The DEA's London Country Office (LCO) continues to maintain a robust exchange of information and training initiatives with several UK law enforcement agencies regarding the threat from methamphetamine. Although not viewed to be in any significant use in the UK at this time, UK law enforcement has acknowledged the potential threat that methamphetamine and its capacity for "domestic production" pose.

The LCO has arranged for DEA "clandestine laboratories" training for the Serious Organized Crime Agency (SOCA) and the Metropolitan Police Services (MPS/New Scotland Yard). This training program instructs law enforcement officers in the safe and efficient manner of identifying, dismantling, and prosecuting criminals involved with an illicit methamphetamine laboratory.

Significant Drug Manufacturing Countries

Asia

Afghanistan

Afghanistan produces 93 percent of the world's opium. An increasingly large portion of the opium crop is being processed into heroin and morphine base by drug labs in Afghanistan. With no domestic chemical industry, the chemicals required for heroin processing must come from abroad. The principal sources are believed to be China, Europe, the Central Asian states and India, but traffickers skillfully hide the sources of their chemicals by re-packaging and false labeling. There are no legitimate requirements in Afghanistan for most of the chemicals used in heroin manufacture, and most are smuggled in through the Central Asian states, the Persian Gulf, including Iran, Syria and Pakistan, after being diverted elsewhere.

Afghanistan is a party to the 1988 UN Drug Convention. However, it lacks the administrative and regulatory infrastructure to comply with the Convention's record keeping and other requirements.

The same factors that adversely impact the interdiction of narcotics, the investigation of major trafficking organizations and the enforcement of the poppy ban hinder efforts to interdict precursor chemicals and processing equipment.

Burma

Burma's overall decline in poppy cultivation since 1998 has been accompanied by a sharp increase in the production and export of synthetic drugs, turning the Golden Triangle into a new "Ice Triangle." Burma is a significant player in the manufacture and regional trafficking of amphetamine-type stimulants (ATS). Drug gangs based in the Burma-China and Burma-Thailand border areas, many of whose members are ethnic Chinese, produce several hundred million methamphetamine tablets annually for markets in Thailand, China, and India, as well as for onward distribution beyond the region. There also are indications that groups in Burma have increased the production and trafficking of crystal methamphetamine, or "ice."

Burma does not have a significant chemical industry and does not manufacture ephedrine and pseudoephedrine used in synthetic drug manufacture, or acetic anhydride used in the remaining heroin manufacture. Most of the chemicals required for illicit drug manufacture are imported and diverted or smuggled into Burma from China, Thailand and India.

Burma is a party to the 1988 UN Drug Convention, but it does not have laws and regulations to meet all its chemical control provisions. In 1998, Burma established a Precursor Chemical Control Committee responsible for monitoring, supervising and coordinating the sale, use, manufacture, and transportation of imported chemicals. In 2002, the Committee identified 25 substances as precursor chemicals, including two not in the 1988 UN Drug Convention (caffeine and thionyl chloride) and prohibited their import, sale or use in Burma.

According to its own figures, the Government of Burma (GOB) seized 1.5 million methamphetamine tablets in 2007, compared to 19.5 million seized in 2006. The GOB must take effective new steps to address the explosion of ATS that has flooded the region by gaining closer support and cooperation from ethnic groups, especially the Wa, in whose territory the manufacture

and distribution of ATS takes place. The GOB must also close production labs and prevent the illicit import of precursor chemicals needed to produce synthetic drugs.

Indonesia

Since 2002, Indonesia has seen a significant increase in the number of large-scale clandestine MDMA and methamphetamine laboratories seized by Indonesian authorities. MDMA (Ecstasy) and methamphetamine-producing drug syndicates have been exploiting Indonesia's lax precursor chemical controls and using corrupt means to operate with relative impunity, but Indonesian authorities are demonstrating additional commitment to increasing law enforcement pressure. Clandestine laboratories that have been discovered in Indonesia are capable of producing multi-hundred kilogram quantities of illegal synthetic drugs. In addition, regional drug syndicates are exploiting Indonesia's 1.2 million miles of coastline and the overall lack of border and port security for the smuggling of ATS and precursor chemicals.

Methamphetamine is now the second most widely abused drug in Indonesia. Most seizures are in crystalline form. The syndicates producing this supply utilize precursor chemical sources and laboratory equipment from China, and rely upon chemists trained in the Netherlands for the production of MDMA. In some cases they also have used chemists from Taiwan and Hong Kong for the production of crystal methamphetamine.

The diversion and unregulated importation of precursor chemicals remains a significant problem facing Indonesia's counternarcotics efforts. Numerous pharmaceutical and chemical corporations have large operations throughout Indonesia. In June 2006, the Indonesian National Police in cooperation with the Australian Federal Police (AFP) identified more than 380 kilograms of pseudoephedrine that had been diverted to Indonesia by a trafficking syndicate based in Jakarta and Sydney.

Laos

As party to the 1988 UN Convention, Laos is obliged to establish controls on the 23 precursor and essential chemicals identified under Article 12 of that Convention. In practice, Laos' laws to implement this obligation are weak, and the institutional capability of its government to implement those laws is highly limited. Responsibility for regulating precursor and essential chemicals lies with the Food and Drug Administration of the Ministry of Public Health. In January 2005, that agency issued a decree imposing legal controls on 35 chemicals, including all of those, which the 1988 UN Convention requires be subject to regulation. The Health Ministry also is responsible to issue licenses for the legal importation of very limited quantities of pseudoephedrine or ephedrine, which are used (by government-owned pharmaceutical plants) for preparation of cold medications, which are available for sale in pharmacies without prescription. (The Ministry is currently considering, but has not yet approved, one application for importation of 25 kilograms of pseudoephedrine by a Laotian Government-owned pharmaceutical plant.) Initially, officials of the Food and Drug office were assigned at major international entry points to Laos, but due to shortage of personnel and conflicting requirements, the Health Ministry withdrew these staff members and now conducts inspections of imported chemicals only upon request to visit an importer's warehouse or storage facility. The Ministry is not known to conduct any end-use inspection of any licensed imports or uses.

There are no other known significant licit imports of precursor chemicals, and no known domestic manufacturing capacity for them in Laos. Responsibility for enforcement of laws that prohibit the unlicensed importation, sale or use of controlled chemicals rests formally with the Lao Customs Service and the national police. As a practical matter, there appears to be relatively little communication between these law enforcement agencies and the Health Ministry office responsible

for regulation. There have been occasional seizures in Laos of controlled chemicals, most frequently ephedrine or pseudoephedrine, but also less frequently of heroin processing chemicals. For the most part, such seized chemicals have been thought to be in transit between China and Burma or Thailand. Laos, along with Burma, Cambodia, China, Thailand and Vietnam, has for several years participated in a regional project and action plan sponsored by the UNODC Regional Office for Asia and the Pacific, one of whose goals is to enhance the effectiveness of controls on precursor and essential chemicals. Most activities under this project have concentrated on training for law enforcement, border and regulatory officials in the recognition and management of controlled chemicals, and on providing UNODC with advice and assistance to improve participating nations' chemical control laws.

Malaysia

Although Malaysia is not a significant source country or transit point for U.S.-bound illegal drugs, it is increasingly being used as a regional hub for crystal methamphetamine and MDMA (Ecstasy) production. Historically, most of these synthetic drugs were imported from neighboring states in Southeast Asia and either transited Malaysia bound for other markets such as Thailand, Singapore, China and Australia, or increasingly consumed domestically as local consumption rises. In recent years, however, domestic ATS production has shown a marked increase. Malaysian authorities raided three clandestine drug labs in 2007 and had several successful drug seizures confiscating large quantities of methamphetamines and MDMA/Ecstasy. Evidence from these labs indicates the precursor chemicals were not produced domestically and that the ATS production syndicates imported the principal precursors under the auspices of legitimate pharmaceutical manufacturing. Malaysian officials report that there are no licensed manufacturers of pseudoephedrine or ephedrine in Malaysia.

The Philippines

The Philippines continues to be a producer, consumer and transshipment point for methamphetamine and lesser amounts of MDMA/Ecstasy and ketamine. Most of the precursor chemicals for methamphetamine production are smuggled into the Philippines (or illegally diverted after legal importation) from China, including Hong Kong. Ephedrine also is smuggled from India. The Philippines is itself a significant market for synthetic drugs and a transshipment point for further export of methamphetamine to Australia, Canada, Japan, Korea, and the U.S. (including Guam and Saipan).

Philippine authorities dismantled three clandestine methamphetamine mega-laboratories and one warehouse in 2006, compared to seven smaller laboratories in 2005. A mega-lab is defined as a clandestine laboratory capable of producing 1,000 kilograms of illicit drugs, or more, in one production cycle. Methamphetamine production may be increasing in the Philippines as criminals seek to avoid stricter chemical controls and increased law enforcement pressure in nearby South East Asian countries.

The Philippines has over 36,200 kilometers of coastlines and 7,000 islands. Vast stretches of the Philippine coast are virtually un-patrolled and sparsely inhabited. Traffickers use shipping containers, fishing boats, and cargo ships (which off-load to smaller boats) to transport multi-hundred kilogram quantities of methamphetamine and precursor chemicals. Law enforcement interdiction efforts are hamstrung by deficits in equipment, training, corruption, and intelligence sharing.

Since 1989, the Philippine government has controlled the importation of ephedrine. Despite these controls, the widespread availability of methamphetamine—known locally as “shabu”—indicates that local clandestine laboratory operators are having no apparent problem obtaining ephedrine or

other necessary precursors. Law enforcement authorities in the Philippines recognize that clandestine laboratories are extremely active, and that they present a threat to public health and national security within the Philippines. Aggressive efforts by law enforcement to seize clandestine methamphetamine labs in and around Manila may have pushed production more into the provinces. The Philippine government continues to build the capacity of the Philippine Drug Enforcement Agency (PDEA), established in 2002, and its first 55 agents graduated in early 2007 from the PDEA Academy.

In addition to methamphetamine, MDMA/Ecstasy is slowly gaining popularity among affluent members of the Philippine society, and the legal veterinary anesthetic ketamine is converted to the illicit crystal form from its legal liquid form in the Philippines and exported to other countries in the region.

Latin America

Bolivia

Because Bolivia does not have a large chemical industry, most of the chemicals required for illicit drug manufacture come from abroad, either smuggled from neighboring countries or imported and diverted. In 2007, Bolivian authorities seized 1,435,419 liters of liquid precursors and 653 metric tons of solid precursor chemicals. Bolivia is a party to the 1988 UN Drug Convention, and has the legal framework for implementing its chemical control provisions. Bolivia participates in chemical control initiatives such as the multilateral Operation Seis Fronteras, and DEA has a Diversion Investigator assigned to its La Paz office.

Colombia

Currently, there are approximately 4,500 chemical companies in Colombia authorized to handle precursor chemicals for legitimate use. Chemical companies must have governmental permission to import or export specific chemicals and drugs. Pre-notifications to “Fondo Nacional de Estupefacientes” (National Dangerous Drug Fund, or Colombia’s FDA) are required to export chemicals from Colombia. No companies in Colombia have governmental authorization to export ephedrine or pseudoephedrine, key precursors in the production of methamphetamine. However, Colombian companies can and do import these precursors, which are necessary for the production of cold medicines and other legitimate products. The Government of Colombia (GOC) controls the legal importation levels to correspond to legitimate national demand.

Controlled chemicals are camouflaged and clandestinely imported into Colombia with false or misleading information. In many instances, the alleged importing “company” does not exist, is out of business, or has no actual involvement in importing the products. Many chemicals also are being diverted by a small number of corrupt employees at large Colombian chemical companies, whose management has no knowledge of the illegal activities. Highly desired chemicals, such as potassium permanganate, are imported into Colombia by taking advantage of the CNP and Colombian Customs lack of knowledge regarding scientific synonyms for controlled chemicals.

Chemical traffickers and clandestine laboratories also use non-controlled chemicals, such as N-propyl acetate, to replace controlled chemicals that are difficult to obtain. Since there are no restrictions on non-controlled chemicals, these are diverted with impunity, and appear in large quantities at clandestine labs. Chemical traffickers also recycle chemicals in order to decrease their need to constantly divert precursor chemicals. Along with this practice, traffickers are recycling the chemical containers, making tracing of origin difficult.

The seizure and interdiction of precursor chemicals used to produce cocaine and heroin have been steadily on the rise. In 2007, the GOC seized over 3,000 gallons and 93 metric tons of potassium permanganate in Medellin, 122,000 gallons of sulfuric acid, and 126,000 gallons of hydrochloric acid.

Peru

Peru produces some precursor chemicals such as sulfuric acid and calcium oxide that are used for the processing of coca leaf into cocaine base. Peru is also a major importer of other precursor chemicals that are used in cocaine production, such as acetone and potassium permanganate. Many tons of these chemicals are diverted from legitimate channels to clandestine cocaine-production laboratories. In 2006, the Peruvian National Police (PNP) Chemical Investigations Unit (DICIQ) initiated Operation Chemical Choke that focused on chemical regulatory audits, interdiction efforts, and liaison with industry and regulatory agencies. Its objective was to stop the illicit diversion of acetone, sulfuric acid, and hydrochloric acid. By mid-November 2007, the operation had resulted in the seizure of approximately 350 metric tons of precursor chemicals destined for cocaine-production laboratories.

In June 2007, the Peruvian legislature modified the penal code to impose stiffer penalties—10 years instead of 5—and strengthened procedures to ensure proper handling of controlled chemicals. It also revised the code so that conspiracy laws now include trafficking-in-chemicals. The law modified the regulations regarding how precursor chemicals are distributed and sold in order to further define the crime of diverting chemicals for the production of illegal drugs. The PNP proactively cooperated with neighboring countries and the U.S. to conduct regional chemical control operations, including Operation Seis Fronteras with Argentina, Bolivia, Brazil, Chile, Ecuador, Panama, Uruguay and Venezuela. PNP/DICIQ recorded seizures of approximately 125 metric tons of precursor chemicals. Also, the Peruvian government's 2008 budget includes, for the first time, funds to be used by different ministries to specifically stop the diversion of precursor chemicals.

Methamphetamine Chemicals

The battle against methamphetamine must include a global campaign to prevent the diversion of precursor chemicals by all producing and transit nations. Though a daunting challenge, international cooperation has shown promising results. Two international entities have played a crucial role in this global effort: the United Nations (UN) Commission on Narcotic Drugs (CND) and the International Narcotics Control Board (INCB). The CND is the central policy-making body within the United Nations system dealing with drug-related matters. The INCB is an independent, quasi-judicial body that monitors the implementation of the three United Nations international drug control conventions.

Building on the passage of a U.S.-sponsored 2006 CND resolution that requested governments to provide an annual estimate of licit precursor requirements and to track the export and import of such precursors, the United States in 2007 supported a resolution drafted by the European Union that strengthened controls on pseudoephedrine derivatives and other precursor alternatives. The INCB Secretariat's program to monitor licit shipments of precursor chemicals through its Pre-Export Notification (PEN) online system was further strengthened by the availability of national licit estimates. The INCB is using these estimates to evaluate whether a chemical shipment appears to exceed legitimate commercial needs. Armed with this data, the INCB can work with the relevant countries to block shipments of chemicals before they are diverted to methamphetamine production.

Combat Methamphetamine Epidemic Act (CMEA) Reporting

Section 722 of the CMEA amends Section 489(a) of the Foreign Assistance Act of 1961 (22 USC Section 2291h) by requiring the following information to be included in the annual International Narcotics Control Strategy Report (INCSR):

- The identification of the five countries that exported the largest amounts of pseudoephedrine, ephedrine and phenylpropanolamine (including the salts, optical isomers, or salts of optical isomers of such chemicals, and also including any products or substances containing such chemicals) during the preceding calendar year.
- An identification of the five countries that imported the largest amounts of these chemicals during the preceding calendar year and that have the highest rate of diversion for use in the illicit production of methamphetamine (either in that country or in another country). The identification is to be based on a comparison of legitimate demand for the chemicals as compared to the actual or estimated amount imported into the country. It also should be based on the best available data and other information regarding the production of methamphetamine in the countries identified and the diversion of the chemicals for use in the production of methamphetamine.
- An economic analysis of the total worldwide production of pseudoephedrine, ephedrine, and phenylpropanolamine as compared to legitimate worldwide demand for the chemicals.

In addition, Section 722 of the CMEA amends Section 490 (a) of the Foreign Assistance Act of 1961 to require that the countries identified as the largest exporters and importers of these chemicals be certified by the President as fully cooperating with U.S law enforcement or meeting their responsibilities under international drug control treaties.

The Department of State, in consultation with the Department of Justice, is required to submit to Congress a comprehensive plan to address the chemical diversion within 180 days in the case of countries that are not certified.

Section 723 of the CMEA requires the Secretary of State, acting through the Assistant Secretary of the Bureau of International Narcotics and Law Enforcement, to take such actions as are necessary to prevent the smuggling of methamphetamine into the United States from Mexico. Section 723 requires annual reports to Congress on its implementation.

Major Exporters and Importers of Pseudoephedrine and Ephedrine

(Section 722, CMEA)

This section of the INCSR is in response to the Section 722 requirement for reporting on the five major importing and exporting countries of the identified chemicals. In meeting these requirements, the Department of State and DEA considered the chemicals involved and the available data on their export, import, worldwide production, and the known legitimate demand for them.

Ephedrine and particularly pseudoephedrine are the much-preferred chemicals for methamphetamine production. Phenylpropanolamine, a third chemical listed in the CMEA, is not a methamphetamine precursor, although it can be used as an amphetamine precursor. In 2000, the FDA issued warnings concerning significant health risks associated with phenylpropanolamine, and as a result, manufacturers voluntarily removed the chemical from their over-the-counter medicines. A limited amount is imported for veterinary medicines, but there is little data available on its production and trade. Since phenylpropanolamine is not a methamphetamine precursor chemical, and in the absence of useful trade and production data, this section provides information only on pseudoephedrine and ephedrine.

The Global Trade Atlas (GTA), compiled by Global Trade Information Services, Inc. (www.gtis.com), provides very complete export and import data on pseudoephedrine and ephedrine collected from major trading countries; however, the most recent full-year data is from 2006. GTA data have been used in the following tables. Data on legitimate demand is more complete for 2006 than in any previous year, but it is still not fully sufficient to enable accurate estimates of diversion percentages based on import data. This is principally due to the fact that there are still countries which have yet to report their legitimate domestic demand to the INCB. Also, some countries and regions do not report trade in ephedrine and pseudoephedrine when it is incorporated into a finished pharmaceutical product, such as a tablet or gel cap, due to concerns that this type of information infringes on commercially sensitive information. Also, governments may not be able to ascertain this data if, for example, they do not subject pharmaceutical preparations to national control, or if a different ministry with different or less stringent means of oversight regulates preparations versus bulk chemicals. This omits the end products that form a very large share of legitimate worldwide demand for methamphetamine precursors.

Even in the case of the reporting on licit market requirements for ephedrine and pseudoephedrine, the governing UN resolutions are not mandatory, but rather urge countries to cooperate by making available information on domestic demand and trade in pharmaceutical products. The trend in this direction has been positive; since the passage of the 2006 CND resolution that the U.S. spearheaded, over 100 countries and jurisdictions have reported import requirements for the bulk chemicals, ephedrine and pseudoephedrine to the INCB. Before 2006, only a nominal number of countries did so, and these rare communications were scattered and not provided on any systematic basis.

While not all economic analyses required by CMEA are possible to prepare because of insufficient data, more data is available this year than in any previous year. The United States also will continue to push in both diplomatic and operational forums – in both bilateral and multilateral settings – to urge countries to provide reporting on their licit domestic requirements for methamphetamine precursor chemicals to the INCB and work with the INCB and with authorities

in the reporting countries themselves to secure explanations for any anomalies between reported imports and reported licit domestic requirements. We also will seek to support efforts to provide developing countries with the expertise and technical capacities necessary to develop such commercial estimates, as this requires a regulatory infrastructure that is currently beyond the means of some governments in question.

This report provides export and import figures for both 2005 and 2006 in ephedrine and pseudoephedrine to illustrate the wide annual shifts that can occur in some countries, reflecting such commercial factors as demand, pricing, and inventory buildup. GTA data on U.S. exports and imports have been included to indicate the importance of the United States in international pseudoephedrine and ephedrine trading. Complete data on the worldwide production of pseudoephedrine and ephedrine are not available, because the major producers will not release them publicly for commercial, proprietary reasons.

The following data are for 2005 and 2006 and provide an indication of the volatility of the trade in pseudoephedrine and ephedrine. We are using the 2006 data this cycle of review to identify the major participants in the trade in ephedrine and pseudoephedrine.

Exporters (KGs)

Pseudoephedrine	2006
India	301,068
Germany	229,700
China	50,279
Taiwan	45,830
Switzerland	41,519
Sub-Total	668,396
United States	36,715
All Others	17,224
Total	722,335

Ephedrine	2006
India	185,804
Germany	33,200
Singapore	14,550
United Kingdom	7,300
China	6,152
Sub-Total	247,006
United States	596
All Others	8,132
Total	255,734

Analysis of Export Data: The largest exporters of ephedrine in 2006—India, Germany, Singapore, the United Kingdom and China—remained unchanged from 2005, though the aggregate amount of ephedrine exported by these countries declined significantly (16.9 percent). This decrease was not offset by corresponding increases in smaller producers; the worldwide aggregate volume of ephedrine exports that was reported to the Global Trade Atlas declined by 14 percent.

The only countries or territories that reported noticeable increases in ephedrine exports were Taiwan (up to 2,218 kilos from 20 kilos in 2005) and Canada (1,400 kilos from zero in 2005). Exports of ephedrine from the United States in 2006 declined dramatically from 2005 (596 kilos, down from 5,542).

For pseudoephedrine, the aggregate volume of worldwide exports showed a similar decline from the previous year, by 18.7 percent. As had been the case in 2005, the five most prolific exporters of pseudoephedrine remained India, Germany, China, Taiwan and Switzerland. Germany's exports decreased by some 41 percent in 2006, and fell behind India as the single greatest exporter of pseudoephedrine. Among countries that exported smaller volumes, only Italy and Spain showed statistically significant increases in 2006 (1,200 and 1,100 kilos, respectively, up from zero and 100 kilos in 2005). Belgium's exports dropped from 4,800 kilos in 2005 to 900.

Importers (KGs)

Pseudoephedrine	2006
United Kingdom	140,600
Singapore	45,400
Thailand	43,955
Mexico	43,428
Switzerland	38,891
Sub-Total	312,274
United States	171,195
All Others	306,380
Total	789,849

Ephedrine	2006
South Korea	17,150
Indonesia	15,407
Singapore	12,750
United Kingdom	9,200
France	7,200
Sub-Total	61,707
United States	89,624
All Others	35,394
Totals	186,725

Analysis of Import Data: South Korea, Switzerland and Singapore are important trading countries that (along with the United Kingdom and France) have pharmaceutical industries that utilize ephedrine and pseudoephedrine.

Among the top five importers of pseudoephedrine, Mexico's declining volume was dramatic in 2006—43,428 kilos down from 118,552. As noted previously in this report, Mexico stopped issuing licenses for imports of ephedrine, pseudoephedrine, and products containing these chemicals in September 2007. In fact, as with exports of both chemicals, the overall volume of imports declined significantly in 2006 from 2005; pseudoephedrine imports declined by over 34 percent, and ephedrine by nearly 40 percent. This declining volume could possibly be in response

to international efforts to promote closer alignment between ephedrine and pseudoephedrine sales and legitimate commercial requirements. Alternatively, this could be a single-year anomaly due purely to vagaries of the commercial market. Additional annual reporting will be required to determine whether this data points to a genuine downward trend in sales or represents a temporary statistical variance.

The accuracy of this trade data also should be viewed with some caution; clearly, some countries have less sophisticated infrastructures and methodologies at their disposal than others for measuring the volume and commodities of legitimate trade. Furthermore, although this data can be useful for determining overall trends in legitimate trade, it cannot accurately identify trends in smuggling or diversion involving conscious subterfuge. Particularly in the case of Mexico, where the government has aggressively cracked down on precursor chemical diversion and limited the flow of trade in such chemicals, we expect to see increased smuggling of chemical precursors through Central American countries and across Mexico's southern border.

Trade data also fails to reflect illicit smuggling that has been detected by law enforcement and other official reporting in Africa, the Middle East and other parts of Asia. The INCB-led Operation Crystal Flow, for example, discussed previously in this chapter, facilitated seizures of ephedrine and pseudoephedrine across Sub-Saharan Africa that could not be accounted for based on officially available trade statistics. The Democratic Republic of the Congo, for example, has been identified by U.S. and international law enforcement authorities as a significant transshipment hub for precursor chemicals, but available trade data is silent on legitimate commercial sales of these commodities. Similarly, in Burma, there is no available trade data to account for the massive scale of methamphetamine production occurring within that country.

Other sources of information from the United States, the United Nations and other governments have indicated that considerable quantities of chemicals are being smuggled across Middle Eastern and Southeast Asian borders without any corresponding record in official trade data. Iran and Syria, for example, have reported licit national requirements for pseudoephedrine (40 metric tons and 50 metric tons, respectively) that would place them among the top five importers worldwide, but no trade data for pseudoephedrine is available for either country that could be used to verify whether these volunteered estimates are accurate.

Based on what data is available, it may be possible to speculate that the trade in ephedrine and pseudoephedrine appears to be diversifying, and is less concentrated along traditional routes in major trading countries. The estimates that are now being provided to the INCB regarding legitimate national requirements can provide a useful reality-check to governments to get a better handle on imports and exports, and we will continue to watch these trends carefully. The United States will work closely with the INCB and with its international partners to further refine the methodologies used to determine these estimates and urge for additional voluntary reporting from states. Many countries, including the United States, have faced challenges in preparing these estimates. All nations, especially large importers and exporters such as the United States, should take steps to ensure that these estimates are as accurate and useful as possible.

Table: Annual Legitimate Requirements Reported by Governments to the International Narcotics Control Boards (source: INCB)

(status: 18 December 2007)

Country / Territory	Ephedrine kg	Ephedrine preparations kg	Pseudoephedrine kg	Pseudoephedrine preparations kg	3,4-MDP-2-P ^a kg	P-2-P ^b kg
Afghanistan						
Albania	5					
Algeria			17 000			
Argentina	18 500		19 000			1
Australia	30		6 000		1	77 000
Azerbaijan	20		10			
Bangladesh	850		15 305			
Barbados	250		160			
Belarus		60	25			1
Belgium	150		21 000			200
Benin			10			
Bosnia and Herzegovina	65		58	600	50	50
Botswana	300					
Brazil	2 550		10 000			6 350
Bulgaria		1 800				
Cambodia	300		400			
Canada	5 000	1	20 000			
Chile	615		5 333			
China	140 000		110 000			
Colombia	400		30 000			
<i>Cook Islands</i>		1		1		
Costa Rica	25		1450			
Côte d'Ivoire	75					
Croatia	100		400			
Cyprus			100			
Czech Republic	20	62	2 780			
Democratic People's Republic of Korea	2 500					
Democratic Republic of the Congo	155		500			
Dominican Republic	200	1 500				
Ecuador	320		8 000			
Egypt	6 000		30 000			
El Salvador	150		1 000	1		
Estonia	6					
<i>Falkland Islands (Malvinas)</i>	1		1			
Finland	100			1 000		5
Georgia	3	2				
Germany	4 000		20 000		1	3 000
Ghana	2 000		700			
Greece	100		600			
Guinea	36					
Guyana	80		85			
Haiti	250		600			
<i>Hong Kong, SAR of China</i>	2 115		1 508			
Hungary	800				350	2 600
Iceland	1					
India	477		2 634			
Indonesia	14 605		39 635			
Iran (Islamic Republic of)			40 000			
Iraq	50		1 400			
Ireland	61	1	1	732		1
Israel	43		2 130	1 905		
Italy	208		27 489			450
Jamaica	80		250			
Jordan	250		18 000			15 760
Kazakhstan	332		1			

Country / Territory	Ephedrine kg	Ephedrine preparations kg	Pseudoephedrine kg	Pseudoephedrine preparations kg	3,4-MDP-2-P ^a kg	P-2-P ^b kg
Kyrgyzstan	1 000		120			
Latvia	30		50			
Lebanon	26	1	155	650		
Lithuania		2		500		
<i>Macao, SAR of China</i>	1		1			
Madagascar	702		150			
Malawi	1 000					
Malaysia	5 700		37 000			
Malta		10		220	1	1
Mauritius	1					
Morocco	124		2 500			
Mozambique	3					
Myanmar	2					
Netherlands	2 000		2 000			
New Zealand	50		250			
Nicaragua			200			
Nigeria	3 849		5 823			
Norway	400		1			
Pakistan	15 000		10 000			
Panama	50		7 000			
Papua New Guinea			14			
Peru	34	31	6 440	8 985		
Philippines			100	102		
Poland	350		3 500			
Portugal			15			
Republic of Moldova	100		25			
Romania	150		3 100			
<i>Saint Helena</i>	1		1			
Slovakia	43			1		
Slovenia	3		300			
Solomon Islands						
South Africa	20 000		20 000			
Spain	1 227		7 010			1
Sweden	20		3		2	4
Syrian Arab Republic	1 000		50 000			
Tajikistan	38					
Thailand	21		36 900			
<i>Tristan da Cunha</i>			1			
Turkey	2 092		31 821			2 000
Uganda	120		120			
United Arab Emirates			200			
United Kingdom	378		13 741			39
United Republic of Tanzania	950		500			
Venezuela	1 000		20 000			
Yemen	150		5 000			
United States of America	3 500		379 100			31 838
Zambia	5		10			

Notes: The names of non-metropolitan territories and special administrative regions are in italics.

A blank field signifies that no requirement was indicated or data are not submitted for the substance in question.

Quantities reported below 1 kilogramme have been rounded up and are reflected as 1 kg.

SOUTH AMERICA

Argentina

I. Summary

Argentina is a transshipment point for Andean-produced cocaine destined for Europe and for Colombian heroin destined for the United States. It is also a source country for precursor chemicals, owing to its advanced chemical production facilities. Seizures of cocaine in 2007 were on par with levels in 2006, but authorities reported an increase in the number of small labs that convert cocaine base to cocaine hydrochloride (HCl). Argentina is a party to the 1988 UN Drug Convention.

II. Status of Country

Argentina is a transit country for cocaine from Bolivia, Peru and Colombia destined for Europe and, to a lesser extent, for Colombian heroin en route to the United States. Marijuana is the most commonly smuggled and consumed drug in Argentina, followed by cocaine (HCl) and inhalants, respectively. U.S.-Argentine counternarcotics cooperation rests on robust law enforcement cooperation, which will be further enhanced when the judicial sector completes the transition from an inquisitorial legal system to an accusatory system. As one of South America's largest producers of precursor chemicals it is vulnerable to diversion of these chemicals into the illicit drug production market. The Government of Argentina (GOA) has introduced modifications to its chemical control regime to address this vulnerability.

III. Country Actions Against Drugs in 2007

Policy Initiatives. Argentina is in the process of transitioning from a written, inquisitorial judicial system to an oral, accusatory system. In 2007, confidence in the legal system remained low because of excessive delays between arrest and final judicial rulings and the lack of judicial transparency. The Justice Ministry prepared draft legislation to update the federal criminal code and the criminal procedure code to address shortcomings and inefficiencies in the investigation and prosecution of drug trafficking crimes. The legislation was not presented to Congress in 2007. The Ministry of Interior (MOI) and the Secretariat of Planning for the Prevention of Drug Addiction and Drug Trafficking (SEDRONAR) share the responsibility for directing Argentina's counternarcotics efforts. The Ministry of Interior oversees federal law enforcement agencies (e.g. operations) and SEDRONAR coordinates federal narcotics policy. The Minister of Interior instituted steps to improve inter-agency cooperation, including hosting coordination meetings, creating unified databases and standardizing protocols for conducting drug investigations. He also instructed the Directorate of Criminal Intelligence (DIC) to develop training and other tools to establish an undercover narcotics agent program. Two resolutions established an interagency training unit for the investigation of complex narcotrafficking and organized crimes and created an operational exchange program between federal and provincial law enforcement agencies. Argentina passed legislation in 1996 to control chemical substances, and the law was modified in 2005 to introduce additional controls on, inter alia, precursor chemicals. These modifications resulted in some improvements, but the law still lacks implementing legislation to impose penalties commensurate with violations.

Accomplishments. Complete federal statistics on seizures continue to be difficult to obtain because two agencies, UFIDRO (Prosecutorial Support Unit for the Investigation of Complex Offenses and Organized Crime) and SEDRONAR maintain different databases. UFIDRO nominally falls under the control of the Attorney General's office (Procurador General), but its activities are financed by the MOI. UFIDRO began collecting seizure data from the federal law

enforcement agencies and Customs in 2006 while SEDRONAR, which historically compiled seizure statistics, now only receives seizure data from the provincial police forces. Statistics through October 2007 show that federal and provincial law enforcement agencies seized nearly 8 metric tons (MT) of cocaine in 2007, 45.6 MT of coca leaf, 74.6 MT of marijuana and 5 kg of heroin. While these figures represent only ten months of the year, figures for all of 2006 were similar or higher – 8 MT of cocaine, 49.5 MT of coca leaf, 93.5 MT of marijuana and 50.8 kg of heroin.

Law Enforcement Efforts. The ongoing transition from the an inquisitorial legal system to an accusatorial system has caused excessive delays between arrest and final rulings and, as a result, eroded public confidence. However, important reforms are underway, and a principal one will place responsibility for investigations with the prosecutors. Under the current system, judges have the primary responsibility for conducting investigations. Other proposed reforms will allow prosecutors and judges more leeway in determining which cases to prosecute and will strengthen the oral trial system. One of the objectives of these reforms is to shorten the preliminary investigative period (*etapa instructoria*). A primary impetus in pushing these reforms is to give law enforcement agencies and the judiciary branch updated legal tools to go after organized trafficking networks. On several occasions during 2007, the Interior Minister noted publicly that too much effort and too many resources were used to go after small-scale dealers and users when the primary should be on the large-scale traffickers. Presidential decrees placed controls on precursor and essential chemicals, requiring that all manufacturers, importers or exporters, transporters, and distributors of these chemicals be registered with SEDRONAR. In the first seven months of 2007, the National Precursor Chemical Registry registered 1,019 new companies, reregistered 3,084 companies and issued 302 export authorizations and 1,349 import authorizations.

Corruption. The GOA is publicly committed to fighting corruption and prosecuting those implicated in corruption investigations. It is not government policy nor are any senior GOA officials known to engage in, encourage, or facilitate the illicit production or distribution of narcotic or psychotropic drugs or other controlled substances or the laundering of proceeds from illegal drug transactions.

Agreements and Treaties. Argentina is a party to the 1988 UN Drug Convention, the 1971 UN Convention on Psychotropic Substances, the UN Convention against Transnational Organized Crime and its three Protocols, and the UN Convention against Corruption. The United States and Argentina are parties to an extradition treaty that entered into force on June 15, 2000, and a bilateral mutual legal assistance treaty that entered into force on December 13, 1990. Both of these agreements are actively used by the United States with the GOA. Argentina has bilateral narcotics cooperation agreements with many neighboring countries; Spain, the United Kingdom, Germany, Australia, France, Italy and the Netherlands provide limited training and equipment. In 1990, the U.S. Customs and Border Protection signed a Customs Mutual Assistance Agreement with the Government of Argentina. Argentina is also a party to the Inter-American Convention against Corruption, Inter-American Convention of Mutual Assistance in Criminal Matters, the Inter-American Convention against Trafficking in Illegal Firearms, and the Inter-American Convention against Terrorism.

Cultivation/Production. Argentine press reporting indicates that there has been an increase in the number of small kitchen labs converting cocaine base to HCl or producing cocaine base. Six HCl labs and two cocaine base labs were seized in the first half of 2007. Small amounts of marijuana are cultivated, mostly for domestic consumption.

Drug Flow/Transit. Historically, Colombian-produced heroin transiting Argentina is smuggled aboard commercial flights going directly to the U.S. or through Mexico and across the Southwest border. However, no seizures were recorded in the first six months of 2007. Colombian cocaine

HCl entering Argentina is generally destined for international cocaine markets in Europe and the U.S. Cocaine HCl seizures have risen significantly over the past two years. There is an indigenous population along the northern border with Bolivia that traditionally consumes coca leaf, however no maceration pits were found in 2007, and only one was found in 2006. Proceeds from drug smuggling ventures organized in Argentina are often brought back to the country by couriers in bulk cash shipments and then wired to the United States for investments or smuggled directly into the United States. Almost all of the marijuana consumed in Argentina originates in Paraguay, and is smuggled across the border into the provinces of Misiones and Corrientes where it is then transported overland to urban centers.

Demand Reduction Programs. The GOA, in collaboration with some private sector entities, sponsors a variety of print and broadcast information campaigns which have a nationwide reach. SEDRONAR coordinates the GOA's demand reduction efforts. Argentina inaugurated its first National Drug Plan in 2005, and initiated a number of demand reduction programs in 2006 that continued in 2007. They include a school-based program targeting 10-14 year-olds, a sports-based prevention program, a community prevention program and one focused on vulnerable populations. The latter has a specific focus on the use of a cheap cocaine-based drug, "paco," which is increasingly prevalent among poorer populations in the northeastern provinces and has caused devastating health effects on these marginalized sectors and caused an increase in criminal activity.

IV. U.S. Initiatives and Programs

Policy Initiatives. U.S. efforts in Argentina center on four core areas: reducing Argentina's role as a transit point for drug trafficking by disrupting and dismantling the major drug trafficking organizations in the region; promoting regional counternarcotics cooperation with Andean and Southern Cone nations; maximizing host nation drug enforcement capabilities; and fortifying bilateral cooperation with host nation law enforcement agencies.

Bilateral Cooperation. The cornerstone of the USG's law enforcement support, with INL funding and DEA expertise is the Northern Border Task Force (NBTF), a joint law enforcement group comprising federal and provincial elements operating in Argentina's northwestern provinces of Jujuy and Salta to interdict the drug flow from Colombia, Peru and Bolivia. In 2007, DEA and GOA law enforcement agencies created the Eastern Border Task Force (EBTF), modeled after the NBTF and focused on the illicit drug smuggling activities in the tri-border area with Paraguay and Brazil.

The Drug Enforcement Administration (DEA) works closely with Argentine federal and provincial law enforcement agencies, prosecutors and judges, and SEDRONAR and UFIDRO to improve coordination, cooperation, training and exchanges. DEA and the Legal Attache's office (LEGATT) are particularly focused on working with prosecutors and judges on improving and updating investigation and prosecution techniques vis-a-vis narcotics trafficking and other complex crimes.

Argentine law enforcement agencies, with DEA support, continued to participate in Gran Chaco and Operation Seis Fronteras (Six Frontiers) with counterparts in Bolivia. Mission's Immigration and Customs Enforcement office (ICE) participated in "Operation Andes III," a joint program sponsored by INTERPOL and the World Customs Organization (WCO) to coordinate the interdiction of precursor chemicals in South America. Participants included national police and customs agencies from Argentina, Brazil, Bolivia, Chile, Colombia, Ecuador, French Guyana, Paraguay, Peru, Uruguay and Venezuela. U.S. Immigration and Customs Enforcement (ICE) provided advisory support for precursor shipment identification and investigative response.

The U.S. Coast Guard (USCG) provided a number of training opportunities to the Argentina Prefectura. Mobile training teams conducted two maritime law enforcement courses and one port physical security course in Argentina during 2007. The Prefectura also sent officers to the USCG's

crisis command and control, leadership and international maritime officer courses. Argentina also stationed an LNO (liaison officer) at JIATF-S to facilitate cooperation.

The Road Ahead. The GOA is seeking congressional approval of reforms to the criminal procedure code that would streamline and shorten the cases and caseload, greatly enhancing the government's ability to prosecute narcotics-related crimes, among others. The GOA is also seeking to tighten control of precursor chemicals, improve coordination among law enforcement agencies, integrate databases to enable more thorough investigations, and pursue greater transparency in the judicial system. The U.S. Mission will continue to make bilateral law enforcement cooperation the foundation of its efforts, using the Northern Border Task Force (NBTF) and the newly established Eastern Border Task Force (EBTF) as the centerpieces to augment GOA interdiction and enforcement capabilities. Mission elements will also work to establish and support a new working group involving the GOA's Customs and Coast Guard agencies to facilitate greater investigative cooperation on maritime security. The USG will lend support to ongoing operations at border areas, including Gran Chaco and Operation Six Frontiers. The Mission is supporting the U.S. Treasury's Office of Technical Assistance in developing for 2008 a technical support and training program for the Argentine Central Bank and government regulatory agencies (including the FIU), to strengthen Argentina's anti-money laundering and counterterrorism finance efforts. U.S. technical support will also continue to foster stronger precursor chemical control and compliance measures.

Bolivia

I. Summary

During 2007, Government of Bolivia (GOB) eradicated more than 6,000 hectares, surpassing its eradication goal of 5,000 hectares, although about 90 percent of eradication took place in the Cochabamba tropics (Chapare) region. In addition, U.S. Government (USG)-supported Bolivian counternarcotics units seized 17.8 metric tons (MT) of cocaine base and cocaine hydrochloride (HCl) and destroyed 10,602 cocaine labs and maceration pits. However, President Evo Morales continued to promote his policy of “zero cocaine but not zero coca” and pushed for industrialization of coca. His administration continues to pursue policies that will increase legal coca cultivation from 12,000 to 20,000 hectares—a change that would violate current Bolivian law and the 1988 UN Drug Convention, to which Bolivia is a party.

The GOB and European Union (EU) agreed to the terms of reference for the EU funded study to determine the actual licit demand for coca in Bolivia. The study is scheduled to be concluded in 2009. The GOB provided inadequate support to drug abuse prevention programs despite evidence of increased drug use in Bolivian society. Demand by farmers for alternative development products grew: last year, U.S. assistance contributed directly to 11,475 new hectares of alternative crops in the Chapare and Yungas, helping to expand sustainable legitimate employment and income opportunities.

II. Status of Country

Bolivia is the world’s third largest producer of cocaine, accounting for more than 115 metric tons, according to USG estimates, and is a significant transit zone for Peruvian cocaine. Bolivia also produces marijuana, primarily for domestic consumption. The majority of cocaine trafficked from or through Bolivia is destined for Brazil, Chile, Argentina, Paraguay and Europe. From 2003 to 2006, coca cultivation in Bolivia increased from 23,600 to 27,500 hectares, according to the United Nations Office on Drugs and Crime (UNODC), and as a result, Bolivia’s estimated potential cocaine production has increased from 100 MT in 2003 to 115 MT in 2006.

III. Country Actions Against Drugs in 2007

Policy Initiatives. Bolivia has produced coca leaf for traditional uses for centuries, and currently, Bolivian law permits up to 12,000 hectares of legal coca cultivation (primarily all in the Yungas) to supply this licit market. The GOB continues to pursue policies that would increase the legal limit to 20,000 hectares, which would violate Law 1008 and the 1988 UN Drug Convention. Worldwide licit demand for coca leaf used in commercial flavorings and pharmaceuticals is limited and only requires the amount of coca that can be grown on approximately 250 hectares (in Peru). The GOB is pursuing its version of coca reduction through voluntary eradication and social control policies, rather than forced eradication. According to UNODC estimates, in mid-2006 there were an estimated 27,500 hectares of coca in Bolivia. The GOB’s plan would allow 7,000 hectares of legal coca to be grown in the Chapare and 13,000 hectares in the Yungas for a total of 20,000 hectares nationwide. Since there are, according to UNODC, 19,200 hectares of coca in the Yungas, the GOB plan would yield a net reduction in this region. Historically, the majority of coca eradication occurred in the Chapare region. In order to reach the proposed goal of 13,000 hectares in the Yungas, the GOB would need to substantially increase eradication there. In the first nine months of 2007, 90 percent of eradication occurred in the Chapare, 5 percent in Yapacani, and 5 percent in the Yungas. With financial assistance from Venezuela, the GOB moved forward with its plan to industrialize coca for commercial products and began construction of two coca industrialization

plants, one in the Chapare and the other in the Yungas. The construction project in the Yungas is currently at a standstill.

In September 2007, the Vice-Minister of Social Defense and Controlled Substances proposed, through the Constituent Assembly, to modify the Bolivian constitution to allow for communication intercepts, improved money laundering legislation, and plea bargaining in criminal cases. All of these measures, if approved by the Bolivian Congress, would significantly improve the ability of law enforcement units to investigate and prosecute narcotics, money laundering, terrorism, and corruption cases in Bolivia. With the current political climate and the difficulties faced in the Constituent Assembly, the Bolivian Congress has not yet addressed the proposed legislation.

Accomplishments. The GOB surpassed its own coca eradication goal of 5,000 hectares for the year, having eradicated 6,269 hectares. Coca eradication increased in the Yungas, with 300 hectares were eradicated in Caranavi and La Asunta, and another 488 hectares in Yapacani.

Law Enforcement Efforts. In 2007, through 10,816 operations, the Bolivian Special Counter-Narcotics Police (FELCN) seized 1,705 MT of illicit coca leaf, 17.8 MT tons of cocaine base and HCl, 423 MT of marijuana, 1,435,419 liters of liquid precursors and 653 MT of solid precursor chemicals. It also destroyed 4,076 cocaine base labs, the majority being in the Chapare, and detained 4,268 suspects. All seizure and interdiction statistics increased in comparison to 2006. There is little evidence of corruption within the FELCN and allegations of corruption are quickly investigated by the Office of Professional Responsibility (OPR), a unit of the Bolivian National Police (BNP). The FELCN is structured to combat all aspects of drug trafficking to include interdiction of drugs, illicit coca, precursor chemicals, intelligence gathering, money laundering, and rural operations. They continue to improve their techniques and efforts in all of these areas. The FELCN focused on higher level violators, which has resulted in more priority target organizations being investigated with regional partner nations, such as Brazil. Unfortunately, the legal system is unable to efficiently process the majority of drug cases allowing many criminals to avoid prosecution.

Corruption. As a matter of policy, the Government of Bolivia does not encourage or facilitate the illicit production or distribution of narcotic or psychotropic drugs or other controlled substances, or the laundering of proceeds from illegal drug transactions. The OPR and FELCN investigated approximately 1,574 allegations of insubordination and other forms of misconduct during fiscal year 2007, approximately 205 of these cases involved FELCN members. Of these 205 cases involving the FELCN, none of the respective investigations conducted resulted in findings of corruption. To date, 1,080 cases went before the Disciplinary Board for review and appropriate action. In addition to the support and development provided to the OPR, the United States Government (USG) also supports the Disciplinary Tribunals.

Agreements and Treaties. Bolivia is a party to the 1988 UN Drug Convention, the 1961 UN Single Convention as amended by the 1972 Protocol, and the 1971 UN Convention on Psychotropic Substances. Bolivia is a party to the UN Convention against Transnational Crime, the UN Convention against Corruption, and the Inter-American Convention against Corruption. Nevertheless, Bolivia is lacking many of the laws and enforcement mechanisms needed to fully implement these agreements. Bolivia has signed, but has not yet ratified the Inter-American Convention on Extradition. Bolivia is not a party to the Inter-American Convention on Mutual Assistance in Criminal Matters.

Extradition. The GOB and the United States Government signed a bilateral extradition treaty in 1995, which entered into force in 1996. The treaty permits the extradition of nationals for most serious offenses, including drug trafficking. No extraditions were sought by the U.S. from Bolivia in 2007.

Cultivation/Production. According to UNODC estimates, as of mid-2006, countrywide cultivation appears to have increased, with total cultivation of 19,200 hectares for the Yungas, and cultivation in the Chapare estimated at 8,300 hectares. In 2007, the GOB continued eradication of coca cultivation in the Chapare (including the national parks), as well as in minor areas of new cultivation in the Department of Santa Cruz (Yapacani). GOB interdiction results, up 238 percent in 2007 from 2006, also suggest a rise in marijuana production, likely for internal consumption.

Drug Flow/Transit. The United States is not a primary destination for Bolivian cocaine. Cocaine transiting and produced within Bolivia is primarily destined for Brazil, Argentina, Chile, Paraguay, and Europe (especially Spain). Significant quantities of cocaine from Peru transits Bolivia enroute to Brazil, Chile, Argentina and Paraguay. Drug traffickers continue to seek new routes and methods to escape the pressure exerted by FELCN and continue to alter their methods. For instance, after Spain enacted a visa requirement for Bolivian citizens the number of human couriers who swallow drugs arrested went down while seizures of cocaine sent through the mail went up.

Alternative Development (AD). The U.S. Government's Integrated Alternative Development (IAD) program, implemented by the United States Agency for International Development (USAID), is a key element in advancing bilateral counternarcotics objectives. Support is provided to help diversify the economies of Bolivia's coca growing regions, reduce communities' dependency on coca, and to strategically support the Government of Bolivia's voluntary eradication program. Alternative Development assistance helps strengthen the competitiveness of Bolivia's agricultural products (e.g., coffee, bananas, pineapples, cocoa, and palm hearts) in national and world markets, improve basic social conditions (e.g., access to clean water), improve rural road infrastructure and access to markets, and expand justice services in the Yungas and Chapare coca growing regions.

Despite challenges in transitioning to a new policy environment, bilateral cooperation in IAD remains strong. In the early part of 2007, the U.S. Mission, in consultation with Government of Bolivia counterparts, adjusted its IAD program to more strategically support the GOB's net coca rationalization strategy and diversified development with declining budget resources. Relatively more resources will be devoted to the Yungas, an under-developed coca growing region where the Government plans to carry out more rationalization in the next several years. Assistance to the Chapare will continue to decline, but support will be provided to consolidate gains and establish sustainable market linkages for alternative development products.

There was a slow start in implementing alternative development projects in the first part of the year due to the need to clarify and adjust to changing Bolivian CN policies, but demand by farmers to cultivate alternative crops grew in 2007. USG assistance directly supported the cultivation of 11,475 new hectares of crops such as bananas, cocoa, and palm hearts. In the first 9 months of FY 2007, the annual value of USAID-promoted exports reached almost \$26 million. Assistance to farm communities and businesses helped generate 3,700 new jobs and new sales of AD products of \$16.5 million (a 45 percent increase over 2006). In FY 2007, 12,671 families benefited directly from U.S. assistance. Nearly 550 kilometers of roads were maintained or improved and 17 bridges constructed in the two regions where IAD programs are undertaken. In addition, USAID's support helped the Government register 92,318 hectares of land in the Chapare in preparation for its titling, thus strengthening land ownership rights and encouraging further farmer investments in alternative development products.

Domestic Programs (Demand Reduction). According to a 2007 UNODC report, drug consumption has increased in Bolivia in recent years. In 2007, the GOB undertook, with USG assistance, efforts to combat documented increases in drug consumption. This included an expansion of the Drug Abuse Resistance Education (D.A.R.E.) program and implementation of a Drug Demand Reduction Decentralization Project in 20 municipalities which worked to coordinate

demand reduction programs at a local level, and a project on accreditation of rehabilitation centers. The D.A.R.E program reached 28,000 students, short of its 40,000 student goal due to social problems and the transferring of DARE instructors during the school year. In cooperation with non-governmental organizations (NGOs), the USG supported the second phase of a master's degree program in drug abuse prevention and rehabilitation for 32 students; implemented a community based drug abuse prevention program reaching 30,000 people, and released a study on prevalence and characteristics of drug use in Bolivian jails. In 2007, most USG supported demand reduction efforts were coordinated with local municipalities and departmental governments. At the national level it has been much more difficult to achieve results, because some Bolivian officials deny the drug consumption problem inside of Bolivia while at the same time promoting the supposed benefits of coca leaf consumption

IV. U.S. Policy Initiatives and Programs

Policy Initiatives. The USG supports programs that enhance the capabilities of the GOB to reduce coca cultivation; arrest and bring drug traffickers to justice; promote licit economic development to provide viable options to cultivating coca, disrupt the production of cocaine within Bolivia; interdict and destroy illicit drugs and precursor chemicals moving within and through the country via operational task forces; reduce and combat domestic abuse of cocaine and other illicit drugs; institutionalize a professional law enforcement system; and improve the awareness of the Bolivian population regarding the dangers of illicit drugs. The USG also trains BNP in modern investigative techniques to curb money laundering and terrorism financing.

The USG supports institution building and development of both the Bolivian National Police (BNP) forces and counternarcotics prosecutors under a dynamic law enforcement training and development program (LEDP). In the last year, fifty-six courses were provided to the BNP and the prosecutors, resulting in the training of 2,351 personnel. Individuals received training in the following areas; basic and advanced criminal investigative techniques, drug investigations, advanced interview techniques, trafficking in persons, human rights issues and integrity investigations under the GOB's Office of Professional Responsibility. Also, 16 BNP officers received basic and advanced polygraph examiner training in addition to receiving certification by the United States. These certified officers are the framework for the BNP polygraph unit and are responsible for administering polygraph examinations to all OPR Investigators and counternarcotics prosecutors. The USG plans to continue enhancing the knowledge of the prosecutors, and is implementing a nationwide prosecutors program in 2008 to increase the capability of the GOB to identify, investigate and prosecute violations of controlled substances, transnational crime, human rights issues, and corruption.

Bilateral Cooperation. Bolivian and U.S. officials meet regularly to coordinate policy, implement programs/operations, and resolve issues. The State Department's Bureau for International Narcotics and Law Enforcement Affairs (INL) principally supports and assists Bolivian interdiction and eradication forces. DEA provides direct operational advisory, liaison, intelligence and funding support to the FELCN's mission, and USAID is a significant supporter of GOB efforts on alternative development. DEA and the U.S. Embassy's Narcotics Affairs Section continue to implement CN programs and interact with their Bolivian counterparts despite President Morales' threats to discontinue USG-funded CN assistance.

Road Ahead. The GOB needs to expand eradication in the Yungas and enhance its efforts to interdict illegal drugs and precursors throughout Bolivia. The USG will also encourage the GOB to exert tighter control over the licit coca market and to increase cooperation with neighboring countries in counternarcotics efforts. In 2008, the USG will look to the GOB to continue eradication, of coca at the highest rate possible, and control new plantings in both the Chapare and the Yungas. The GOB should continue interdiction operations to seize cocaine products, implement

stronger precursor and essential chemical control measures, and destroy drug labs and maceration pits, particularly in the Chapare and the Yungas. Other efforts should include, but are not limited to, fully implementing GOB commitments under international conventions; ensuring that full and fair investigations are conducted into credible allegations of human rights abuses by military personnel, with prosecution when appropriate; full and fair investigation and prosecution of corrupt government officials; and passage and vigorous implementation of anti-corruption and anti-money laundering laws, and legislation authorizing wiretapping.

V. Statistical Table

Bolivia Statistics (1997-2007)

	2007	2006*	2005	2004	2003	2002	2001	2000	1999	1998	1997
Coca											
Net Cultivation ¹ (ha)	-	25,800	26,500	24,600	23,200	24,400	19,900	19,600	21,800	38,000	45,800
Eradication (ha) **	6,269	5,070	6,073	8,437	10,000	11,839	9,435	7,953	16,999	11,621	7,026
Leaf: Potential Harvest ² (mt) ***	-	37,000	36,000	37,000	33,000	35,000	32,000	-	-	-	-
HCl: Potential (mt) ***	-	115	115	115	100	110	100	-	-	-	-
Seizures**											
Coca Leaf (mt)	1,705	1,344	887.4	395.0	152.0	101.8	66.0	51.9	56.0	93.7	50.6
Coca Paste (mt)	-	-	-	-	-	-	-	-	-	-	0.008
Cocaine Base (mt)	14.9	12.7	10.2	8.2	6.4	4.7	4.0	4.5	5.5	6.2	6.6
Cocaine HCl (mt)	2.9	1.3	1.3	0.5	6.5	0.4	0.5	0.7	1.4	3.1	3.8
Combined HCl & Base (mt)	17.8	14	11.5	8.7	12.9	5.1	4.5	5.3	6.9	9.3	10.4
Agua Rica ³ (ltrs)	-	-	-	-	-	-	20,240	15,920	30,120	44,560	1,149
Arrests/Detention s	4,268	4,503	4,376	4,138	3,902	3,229	2,948	3,414	3,503	407	3,428
Labs Destroyed											
Cocaine HCl	7	3	3	4	2	2	1	2	1	1	1
Base	4,076	4,070	2,619	2,254	1,769	1,285	877	620	893	1,205	1,022
* The USG was unable to provide an estimate for the net coca cultivation in time for this report. UNODC Coca Cultivation Survey, June 2007 is used in the chart for 2006 net coca cultivation estimate. Prior years in the chart are based on CNC estimates. UNODC estimates are used in the text.											
**As of 09/30/07											
***Due to recent revision of the USG's cocaine production estimates for Bolivia, one cannot accurately compare 1996-2000 with future years.											
¹ The reported leaf-to-HCl conversion ratio is estimated to be 370 kilograms of leaf to one kilograms of cocaine HCl in the Chapare. In the Yungas, the reported ratio is 315:1.											
² Most coca processors have eliminated the coca paste step in production.											
³ Agua Rica (AR) is a suspension of cocaine base in a weak acid solution. AR seizures first occurred in late 1991. According to DEA, 37 liters of AR equal one kilograms of cocaine base.											

Brazil

I. Summary

Brazil is a major transit country for illicit drugs. The Brazilian domestic drug market consumes mostly Bolivian cocaine, which is also shipped to Europe and, to a lesser extent, the United States. Brazil has improved cooperation with its neighbors in an effort to control its expansive border areas, particularly in the remote and porous tri-border region with Paraguay and Argentina. In 2007, the Government of Brazil (GOB) made advances in its drug enforcement and prevention programs, including numerous seizures of illicit narcotics and weapons and the arrest of a major Colombian drug trafficker.

The Brazilian Federal Police (DPF), which is under the Ministry of Justice, placed a higher priority in 2007 on enhancing its interdiction capabilities at major sea and airports and along the Bolivian border where seizures of low-purity cocaine increased. Brazil is a party to the 1988 UN Drug Trafficking Convention.

II. Status of Country

Brazil is a major transit country for cocaine base and cocaine hydrochloride (HCl) moving from Andean source countries to Europe and the Middle East as well as for smaller amounts of heroin. It also has a sizeable domestic demand for these and other drugs which feed the increasingly critical urban crime wave in Brazil's two largest cities, Sao Paulo and Rio de Janeiro. Marijuana and low-quality cocaine are preferred, and they fuel the powerful and heavily armed organized drugs gangs that are involved in narcotics-related arms trafficking.

III. Country Actions Against Drugs in 2007

Policy Initiatives. The National Anti-Drug Policy directs the GOB's counternarcotics strategy, which was last updated in late 2005. The GOB anti-money laundering legislation, drafted in 2005, still had not been presented to Congress by the end of 2007. However, the GOB established systems for identifying, tracing, freezing, seizing, and forfeiting narcotics-related assets in 2007. The Brazilian Government's interagency Financial Crimes Investigations Unit (COAF) and the Ministry of Justice manage these systems jointly. The police and the customs and revenue services possess the powers and resources to trace and seize assets, but the GOB still has not implemented a computerized registry of all seized assets to improve tracking and disbursal. The judicial system has the authority to forfeit seized assets, and Brazilian law permits the sharing of forfeited assets with other countries.

Brazil is the fifth largest country in the world and borders all the countries of South America except Chile and Ecuador. Narcotics traffickers exploit Brazil's heavily transited and porous border crossings where Brazilian law enforcement agencies only have a minimal presence. To combat trans-border trafficking organizations, Brazil cooperates with neighboring countries through joint intelligence centers (JIC) in strategic border towns. Analysis Services for Police Data and Intelligence Centers (SADIP Centers), formerly known as regional Intelligence Centers, are strategically-located facilities for representatives of federal police from South American countries to collect, analyze and disseminate drug intelligence with one another to interdict drugs that move through the tri-border region, particularly at Iguazu Falls, Assis and Tabatinga. The physical structures of the centers are in place and Assis became fully operational in 2007. Brazil signed a memorandum of understanding in March 2007 to expand the regional Officer Exchange Program,

which now includes Argentina, Bolivia, Chile, Peru, and Paraguay. This cooperative exchange allows police officers in these countries to share real-time intelligence and improve their professional working relationships.

Accomplishments. In 2007, Brazil made numerous seizures of illicit narcotics and weapons and arrested a major drug trafficker. The Brazilian Federal Police (DPF) seized 13.1 metric tons (MT) of cocaine HCl, 916 kg of cocaine base, 488 kg of crack, 153.1 MT of marijuana, and 16 kg of heroin. In one notable example, U.S.-Brazilian cooperation helped bring about the capture in Sao Paulo of Juan Carlos Ramirez-Abadia, a notorious Colombian drug cartel leader whose multi-billion dollar drug and money laundering ring stretches from the United States to Europe. Several million dollars' worth of assets were seized in the raid. In 2007, the GOB also broke up Mexican and Colombian groups involved in sending heroin to the United States and began targeting groups that sell prescription drugs illegally via the Internet.

Only the Brazilian Federal Police (DPF), not local police forces, report seizures. The DPF estimates they record approximately 75 percent of seizures; thus statistics are incomplete. The DPF indicted 4,069 people on drug-related charges in 2007. Facilitated by existing law, many assets, particularly motor vehicles, are seized during narcotics raids and put into immediate use by the Federal Police under a March 1999 Executive Decree. Other assets are auctioned and proceeds distributed, based on court decisions. Federal Police records show that the GOB seized one airplane, 11,923 motor vehicles, 237 motorcycles, 8 boats, 379 firearms, and 1,865 cell phones in 2007.

Law Enforcement Efforts. In September 2007, the Brazilian Federal Police's (DPF) new leadership resulted in several senior executive personnel changes that appear to favor increased law enforcement cooperation with the United States and other international partners. However, the DPF's 11,000-member force is woefully understaffed and lacks resources to meet the challenges before it. Poor coordination and cooperation between the DPF and state police forces further complicate efforts to target and dismantle major trafficking operations inside the country.

The DPF continued to play a major role in an operation to disrupt the illegal flow of precursor chemicals in the region. Additionally, the GOB continued to support an operation with Brazilian and Paraguayan counternarcotics interdiction forces in the Paraguayan-Brazilian border area and another operation which successfully targeted a Colombian drug trafficking operation tied to the Revolutionary Armed Forces of Colombia (FARC). In February 2007, after a six-month investigation, Brazilian State Police dismantled an ecstasy lab—believed to be the first in Brazil—in the state of Goias, and seized approximately 30,000 tablets estimated to be worth \$450,000. The successes of these and other GOB-led law enforcement operations were supported by Sensitive Investigative Units (SIU) located in the major cities and which receive funding and technical assistance through the U.S.-GOB bilateral narcotics assistance agreement.

Corruption. As a matter of government policy, the Government of Brazil does not condone, encourage, or facilitate production, shipment, or distribution of illicit drugs or the laundering of drug money. However, official corruption is a problem and is a high priority for Brazilian law enforcement. The DPF has carried out a number of high-profile investigations of public officials and state police involved in money laundering and/or narcotics trafficking. In September 2007, the DPF arrested 52 Military Police officers from a single battalion in Rio de Janeiro after a 7-month investigation into their involvement in a police corruption ring in which they were on the payroll of drug traffickers.

Agreements and Treaties. Brazil is a party to the 1988 UN Drug Trafficking Convention, the 1971 Convention on Psychotropic Substances, the UN Convention against Transnational Organized Crime and its three protocols, and the UN Convention against Corruption. Brazil is also a party to the Inter-American Convention against Corruption, the Inter-American Convention on Mutual

Assistance in Criminal Matters, the Inter-American Convention against Terrorism, and the Inter-American Convention against Trafficking in Illegal Firearms. Bilateral agreements based on the 1988 Convention form the basis for counternarcotics cooperation between the United States and Brazil. The United States and Brazil are parties to a bilateral Mutual Legal Assistance treaty that entered into force in 2001 and is actively used. In 2002, U.S. Customs and Border Protection signed a Customs Mutual Assistance Agreement with the GOB that provides a mechanism for the exchange of information to prevent, investigate and redress any offense against the customs laws of the United States or Brazil. Brazil also has a number of narcotics control agreements with its South American neighbors, several European countries and South Africa. These agreements have given rise to further cooperation, such as the ongoing "Operation Seis Fronteras" (Six Borders) which, has strengthened relations between the various law enforcement agencies. Brazil cooperates bilaterally with other countries and participates in the UN Drug Control Program (UNDCP) and the Organization of American States/Anti-Drug Abuse Control Commission (OAS/CICAD).

Extradition. The Brazilian constitution prohibits the extradition of natural-born Brazilian citizens, but it does allow for the extradition of naturalized Brazilian citizens for any crime committed prior to naturalization. The constitution also allows for the extradition of naturalized Brazilian citizens specifically for narcotics-related crimes committed after naturalization. However, to date none has been carried out under this provision because the Brazilian Congress has failed to pass implementing legislation. Brazil cooperates with other countries in the extradition of non-Brazilian nationals accused of narcotics-related crimes. There is an extant bilateral extradition treaty between the U.S. and Brazil which entered into force in 1964. Although several requests were made to Brazil in 2007 and are in progress, no extraditions to the United States took place in 2007.

Illicit Cultivation/Production. Brazil produces some cannabis in the northeast region of the country, primarily for domestic consumption.

Drug Flow/Transit. Brazil is a major drug transit country for cocaine from Bolivia that is almost exclusively destined for the domestic Brazilian market. Higher quality Colombian cocaine is shipped to Europe and, to a lesser extent, the U.S. Marijuana from Paraguay is largely consumed domestically in Brazil. Cocaine continues to be smuggled into Brazil via its many rivers and along its vast and poorly-monitored border. Cocaine is shipped out of Brazil primarily from ports in the northeast. Organized groups based in Sao Paulo and Rio de Janeiro, which arrange through contacts at the border for the transport of contraband by international couriers (mules) aboard trans-Atlantic flights, are increasingly sending their shipments to Africa. The drugs are purchased from criminal organizations that operate outside of Brazil. Organized groups and gangs within Brazil employ domestic networks operating in major urban areas of the country to sell narcotics and use the profits to purchase weapons and increase their control over the slums (favelas) of Rio de Janeiro and Sao Paulo. Brazil introduced a lethal-force air interdiction program in 2004 but to date has not shot down any aircraft. Although the air interdiction program has helped reduce the number of long flights over Brazilian territory, traffickers still make the short flight over Brazil en route to Venezuela and Suriname.

Brazil is a growing consumer market for amphetamines and ecstasy and other synthetic drugs. In conjunction with Operation Topaz, the DPF agreed to work with the USG to perform a study on their use within Brazil and the exportation of acetic anhydride from Brazil. The Federal Police makes records relating to chemical transactions available to USG law enforcement officials when requested.

Demand Reduction. The National Anti-Drug Secretariat (SENAD) has responsibility for demand reduction and treatment programs. SENAD also supports drug councils that are located in each of the state capitals and which coordinate treatment and demand reduction programs. USG-supported programs include a nationwide toll-free number for drug-abuse counseling, a nationwide DARE

program (Brazil has the largest DARE program outside of the United States), and a national household survey of drug use among teens. In early 2007, SENAD released the results of the 2005-2006 national household drug consumption survey, partially funded by the USG, which indicated that since the last survey was done in 2001, marijuana consumption had increased from 6.9 percent to 8.8 percent and cocaine consumption had increased from 2.3 percent to 2.9 percent.

IV. U.S. Policy Initiatives

Policy Initiatives. U.S. counternarcotics policy in Brazil continues to focus on identifying and dismantling international narcotics trafficking organizations, reducing money laundering, and increasing awareness of the dangers of drug abuse and drug trafficking and related issues, such as organized crime and arms trafficking. Key goals include assisting Brazil's development of a strong legal structure for narcotics and money laundering control and enhancing law enforcement cooperation.

Bilateral Cooperation. U.S.-Brazilian bilateral programs continue to give emphasis to establishing intelligence-driven operations such as the joint intelligence centers (JIC) located in Tabatinga and on the Bolivian border and training courses in airport interdiction and container security.

In 2007, the USG provided support for the GOB's participation in "Operation Alianza" (Brazil, Paraguay) that involved marijuana eradication/interdiction, and "Operation Seis Fronteras." The USG continued to provide training to combat money laundering, enhance airport interdiction and community policing efforts, strengthen container security activities and port state control of vessels, support counternarcotics SWAT operations and maritime law enforcement actions, improve crisis command and control coordination and expand demand reduction programs. Support to and cooperation with Sensitive Investigative Units (SIU) remains a priority of USG-GOB bilateral cooperation. Several Brazilian law enforcement officers attended training programs in the United States, including money laundering prevention seminars and courses sponsored at the Federal Bureau of Investigation (FBI) training academy. Seminars and courses for state police representatives also assisted the Brazilian authorities with security preparations for the 2007 Pan American Games. The GOB and USG agreed to expand the Container Security Initiative in Santos to secure more containerized cargo going to the United States. In the latter part of 2007, a Resident Legal Advisor (RLA) position was filled in December to provide technical assistance to the GOB on drug-fueled urban crime problems (particularly gangs).

The Road Ahead. Despite continued increasing cooperation with its neighbors, Brazil's expansive territory and borders make effective border control and enforcement in the vast Amazonian region a serious challenge. Seizure and arrest statistics show 2007 to have been a productive year for Brazilian Federal Police in their fight against drug trafficking organizations. To build on this success, the GOB should give priority to augmenting Brazilian law enforcement presence at key border sites, and cooperation and coordination between the DPF and State police forces must be fostered. In early 2007, the USG conducted a comprehensive review of USG counternarcotics and law enforcement assistance to Brazil to ensure the priorities of both countries are being properly addressed. The GOB and USG subsequently agreed to implement programs designed to control the movement of drugs, illegal currency, and other narcotics-related contraband through Brazil's seaports and major airports. We foresee positive results in 2008 if Brazil continues its active cooperation in SIU-generated bilateral and regional operations, prioritizes the implementation of a strategy for combating money laundering and fosters closer working relationships among federal, state and local law enforcement institutions.

Chile

I. Summary

Chile's long difficult-to-monitor borders with Peru, Bolivia and Argentina make it an appealing transit country for cocaine shipments destined for the U.S. and Europe. Chile has a domestic cocaine and marijuana consumption problem, and use of the amphetamine-type drug ecstasy is increasingly popular. Chile is also a source of precursor chemicals for use in cocaine processing in Peru and Bolivia. Chile is a party to the 1988 UN Drug Convention.

II. Status of Country

Chile is a transshipment country for cocaine from the Andean region enroute to the U.S. and Europe. Cocaine hydrochloride (HCl) consumption has increased domestically, although abuse of cocaine base is more prevalent. Chile ranks second in cocaine consumption and first in marijuana consumption among South American countries, according to the United Nation's 2007 World Drug Report. Some marijuana is cultivated in Chile, but most is imported from Paraguay for use by Chilean teenagers and young adults from the upper and upper-middle classes.

III. Country Actions Against Drugs in 2007

Policy Initiatives. In 2007, Chile's National Drug Control Commission (CONACE) undertook an evaluation of its 2003-2008 National Drug Prevention and Control Strategy to determine its effectiveness thus far and next steps towards drafting the post 2008 strategy. The GOC has also continued its informal drug court pilot program, similar to U.S. drug courts, in Valparaiso and Santiago.

In June 2007, Chile inaugurated a juvenile criminal justice system to address the issue of minors with drug addictions who commit crimes. Under the new system, CONACE must provide 900 slots in rehabilitation centers for young offenders (post-conviction or as part of "conditional suspension") to receive treatment while, or instead of, serving their sentence.

Feedback in 2007 regarding Chile's newly instituted adversarial judicial system, which is based on oral trials, suggests that there is greater public trust in the new system, and faster resolution of cases. Challenges of training judges, prosecutors and law enforcement officials on evidence collection and analysis, law enforcement techniques such as undercover operations, courtroom presentation methods, and court administration procedures remained.

Accomplishments. In 2007, Chilean authorities seized approximately 3.4 metric tons (MT) of cocaine HCL; 5.4 MT of cocaine pasta base; 5.6 MT of marijuana; 134,297 individual marijuana plants; 8.16 kg of heroin; 118,647 units of illegal pharmaceutical drugs; 3,794 units of ecstasy; and 64 dosage units of LSD – an increase in all categories over 2006 levels. The largest, single cocaine seizure in 2007 was 454 kilograms.

Law Enforcement Efforts. The Carabineros de Chile and the Policia de Investigaciones (PICH) are widely considered competent and professional law enforcement organizations. In 2007, they cooperated to undertake proactive enforcement initiatives to address domestic distribution sources of cocaine, marijuana, and ecstasy, including purchasing fixed-wing aircraft to combat drug trafficking along the northern border.

The Arica-based narcotics task force, comprised of members of the PICH, Chile's Customs Service, DIRECTEMAR (Coast Guard branch of Chilean Navy) and the Gendarmaria de Chile (Bureau of Prisons) became fully operational in 2007 and is helping develop and share intelligence

on drug trafficking groups attempting to transship cocaine from Bolivia and Peru via Chile's northern maritime ports.

Corruption. As a matter of policy, no senior GOC official or the GOC, encourages or facilitates the illicit production or distribution of narcotic or psychotropic drugs or other controlled substances, or the laundering of proceeds from illegal drug transactions. Narcotics-related corruption among police officers and other government officials is not considered a major problem in Chile, and no current Chilean senior officials have been accused of engaging in such activities. In cases where police are discovered to be involved in drug trafficking or protecting traffickers, simultaneous termination and initiation of an investigation are immediate. In its 2007 Annual Corruption Perception Index Survey, Chile was ranked the least corrupt country in Latin America by Transparency International and ranked behind only Canada and the United States as the third least corrupt country in the Americas.

Agreements and Treaties. Chile is a party to the 1961 UN Single Convention as amended by the 1972 Protocol, the 1971 UN Convention on Psychotropic Substances and the 1988 UN Drug Convention. Chile is also a party to the UN Convention against Transnational Organized Crime and its protocols against trafficking in person and migrant smuggling, and the UN Convention Against Corruption. The 1900 U.S.-Chile Extradition Treaty is currently in force. (Note: This was signed in 1900 and entered into force in 1902.) In October 2007, a USG and Chilean delegation met to negotiate a new treaty and will continue to develop a final text for 2008. While the U.S. and Chile do not have a bilateral mutual legal assistance treaty (MLAT), both countries are parties to the Organization of American States' 1992 Inter-American Convention on Mutual Assistance in Criminal Matters, which facilitates mutual legal assistance.

Cultivation/Production. Chile produces a small amount of marijuana that is consumed domestically. Local authorities detected a rise in locally cultivated (indoor/outdoor) marijuana in 2007, and have seized increased quantities in Valparaíso and the central regions.

Drug Flow/Transit. Narcotics transit Chile overland from Peru, Bolivia and Argentina, and are sent to the U.S. and Europe via maritime routes. Cocaine traffickers have begun to move Peruvian cocaine to Bolivia and then into Chile to avoid the Peru/Chile border. Recent seizures provide evidence that Colombian drug trafficking organizations are also utilizing overland transportation routes to ship their cocaine through Chile. Though much of Bolivia's cocaine is shipped to Brazil, a smaller amount is smuggled into Chile. The treaty signed after the War of the Pacific hampers efforts to intercept illegal narcotics by allowing cargo originating in Peru and Bolivia to pass through Chile and out of the ports in Arica, Iquique, and Antofagasta without Chilean inspection.

Domestic Programs/Demand Reduction. Recognizing the need to increase drug prevention programs in private schools and universities, beginning in July 2007, the GOC included coverage for drug and alcohol rehabilitation programs for youth in the National Healthcare System. Additionally, CONACE runs a variety of community, family and youth programs, including prevention-oriented artistic programs, sports programs, youth employment programs, and programs using the internet, such as an "on-line brigade" against the use of drugs.

IV. U.S. Policy Initiatives and Programs

Policy Initiatives. U.S. support to Chile in 2007 focused on four priority areas: 1) training for prosecutors, police, judges, and public defenders in their roles in the new criminal justice system; 2) enhanced police investigation capabilities; 3) police intelligence-gathering capability; and; 4) combating money laundering.

Bilateral Cooperation. USG initiatives in 2007 included: an International Visitor Program for a Chilean drug prosecutor and a Chilean drug police official; money laundering training for 25 police

officers, prosecutors, Chile's Financial Intelligence Unit, and other agencies; a seminar for 15 police officers on the use of computers to detect and investigate drug trafficking; and technical assistance in community policing and identifying patterns behind crimes; and maritime law enforcement and port security training to DIRECTEMAR.

DEA offices in Santiago; La Paz, Santa Cruz, and Cochabamba, Bolivia; Lima; Buenos Aires; and Asuncion continued to support an Officer Exchange Program among their respective host nation counterparts in 2007. Additionally, in October, DEA conducted training for PICH anti-narcotics investigators, CONACE, and prosecutors. The training was designed to promote awareness of current issues in drug abuse, narcotics trafficking and money laundering in the region. DEA agents in Chile and Bolivia also conducted a one-week Police Tactics course in Arica in October 2007.

The Road Ahead. In 2008, the USG plans to continue support for Chilean efforts to combat narcotics-related problems and will continue to emphasize the importance of interagency cooperation to better confront drug trafficking in Chile, including support to the Northern Border Task Force. The GOC plans to continue building the capacity of its law enforcement units and criminal justice system to prosecute transnational crimes. The GOC also plans to carry out its new security strategy, which will promote greater law enforcement agency collaboration and cooperation. The USG plans to support these efforts with training for police and prosecutors on undercover operations, surveillance, and continued tactical training. Additionally, there are long-term plans to conduct additional training in money laundering for police, prosecutors and judges.

Colombia

I. Summary

The Government of the Republic of Colombia (GOC) is committed to fighting the production and trafficking of illicit drugs, yet Colombia remains a major drug producing country. In 2007, the GOC continued its aggressive interdiction and eradication programs, seizing over 126 metric tons (MT) of cocaine and cocaine base, and maintained its strong record of extraditing persons charged with crimes in the U.S. Almost 220,000 hectares of illicit coca crops were eradicated, over 153,000 hectares by the Colombian National Police (CNP) Anti-Narcotics Directorate (DIRAN), and over 66,000 hectares by manual eradication efforts. Colombia is a party to the 1988 UN Drug Convention.

II. Status of Country

Colombia is the principal supplier of cocaine to the world, with the majority going to the U.S, but a growing percentage now destined for Europe and Brazil. Almost 90 percent of the cocaine entering the U.S. comes from Colombia's coca fields, and the country remains the primary source of heroin used east of the Mississippi River. Colombia is a leading market for precursor chemicals, and the focus of significant money laundering activity. Narcotraffickers exploit Colombia's geography and well-developed infrastructure, including ports on the Pacific and Atlantic coasts, multiple international airports, a growing highway system, and extensive rivers for their operations. While illegal drugs are still primarily exported, domestic consumption is on the rise in Colombia. Multiple demand reduction programs exist in large municipalities, but a sufficiently coordinated national demand reduction strategy remains lacking.

The U.S. has designated three illegal armed groups as Foreign Terrorist Organizations (FTOs) in Colombia. The Revolutionary Armed Forces of Colombia (FARC) and, to a lesser extent, the National Liberation Army (ELN) exercise considerable influence over areas with high concentrations of coca and opium poppy cultivation, and their involvement in narcotics is a major source of violence and terrorism. A third FTO, the United Self-Defense Forces of Colombia (AUC), has largely demobilized and no longer exists as a coherent organization. Nevertheless, a significant number of former mid-level AUC commanders continue their involvement in the drug trade, with the Organization of American States (OAS) warning in late 2007 that new criminal groups were emerging in areas of former AUC influence.

III. Country Actions Against Drugs in 2007

Policy Initiatives. The GOC has taken action to improve criminal justice proceedings in order to increase its capability to prosecute criminals, including drug traffickers. Colombia's transition to an accusatorial system of criminal justice was completed on January 1, 2008, when 11 cities of the Caribbean, Pacific and eastern plains joined the rest of the nation in using new procedures for oral trials. Although many cases already initiated must be adjudicated under the old system, the new system has allowed criminal cases to be resolved in months instead of years, and conviction rates have risen from less than three percent to over sixty percent under the new system.

Colombia's manual eradication program expanded by over 50 percent in 2007, resulting in the eradication of more than 66,000 hectares of illicit coca crops. The Colombian National Police (CNP) and Colombian Army (COLAR) both manually eradicated illicit crops and their role in providing security grew as operations expanded. Fatalities during manual eradication decreased 60 percent from 2006, to 16 security force personnel and civilian eradicators.

The Colombian Anti-Narcotics Police (DIRAN) continued supporting a special judicial police unit, established in 2006, that gathers evidence for asset forfeiture proceedings against property owners who use their land for the cultivation or processing of illegal crops. In 2007, this unit developed and investigated cases for the Prosecutor General's Office. This asset seizure initiative is a crucial step towards more effective deterrence of cultivation and replanting after eradication.

The Colombian Congress also passed legislation in 2007 to improve the effectiveness of the National Directorate of Dangerous Drugs (DNE), which is responsible for administering seized and forfeited criminal assets, mainly narcotics-related. The new legislation allows the DNE to sell seized property prior to forfeiture, thereby eliminating high storage and maintenance costs associated with certain types of property, suspend tax payments on non-performing seized properties, and use more of the forfeited funds to pay operational costs. This legislation is complemented by regulations adopted in October 2007 by the Prosecutor General that place greater emphasis on seizing assets that will yield a positive net value upon final forfeiture. The Office of the Prosecutor General handles the legal process for the seizure and forfeiture of narcotraffickers' assets and works in coordination with the DNE.

These legislative changes, together with a 2004 law that allows for criminal assets to be prosecuted separately from the defendant, have resulted in significant increases in the amount, variety, and value of criminal property subject to seizure and forfeiture in Colombia. By some estimates, the value of assets seized just in 2007 may exceed \$1 billion. While the management of these seizures has grown in complexity, the recent legislative and regulatory changes are expected to improve the GOC's ability to properly handle criminal assets and to benefit from their forfeiture.

Law Enforcement Efforts. In 2007, the GOC seized 130.7 MT of cocaine and 350,000 gallons of precursor chemicals while destroying 240 cocaine hydrochloride (HCL) labs and 2,875 coca base labs. CNP's Mobile Rural Police Squadrons (Carabineros), the unit charged with expanding and maintaining police presence in areas of conflict and throughout Colombia's national territory, captured 76 narcotics traffickers, 190 FARC and ELN guerrillas, 73 former AUC members, and 1,116 criminal group members in 2007. The GOC reorganized the 68 Carabinero squadrons during the year from 150 to 120 man units to facilitate rapid deployment and increase government presence around the country.

DIRAN's Jungle Commandos (Junglas), or airmobile units, remained the CNP's main interdiction force, largely responsible for the high number of HCL and coca base labs destroyed in 2007. DIRAN also displayed its strong commitment to working with international partners in 2007 by sending a two man assessment team to the Ecuadorian Antinarcotics Police Training Center to help develop instructional programs while aiding U.S. efforts in Afghanistan by deploying two guest instructors to work with the Afghan Narcotics Interdiction Unit (NIU) in Kabul.

The CNP's Heroin Task Force concluded numerous priority target heroin investigations resulting in 182 arrests in Colombia, 48 as a result of petitions for extradition to the U.S. Based on evidence gathered, it was determined that these heroin trafficking organizations were responsible for shipping and distributing at least 3 MT of heroin per year to the U.S.

Port Security. With USG support, the GOC and private seaport operators improved port security, leading to increased drug seizures in Colombia's ports. In 2007, more than 19 MT of cocaine, 6 kilos of heroin, almost 3 MT of marijuana, and more than 5 MT of chemical precursors were seized by DIRAN in the ports while 46 persons were arrested for narcotics trafficking. At Colombia's international airports, DIRAN units confiscated 16 kilos of heroin, 300 kilos of cocaine, almost 300 kilos of marijuana, and made over 30 drug-related arrests.

High-Value Targets (HVTs). The GOC achieved significant success against the FARC leadership in 2007. Over a dozen mid-to-high level FARC commanders were killed or apprehended, including

FARC 37th Front leader Gustavo Rueda Díaz, alias ‘Martin Caballero,’ 42nd Front leader Ernesto Orjuela Tovar, alias ‘Giovanni Rodriguez,’ and 16th Front leader, Tomas Molina Caracas, alias ‘Negro Acacio.’ Molina Caracas was considered a Consolidated Priority Organization Target (CPOT) by the USG and was one of 50 FARC commanders indicted in the U.S. in March 2006 for allegedly running the country’s largest cocaine smuggling organization.

The CNP worked with U.S. agencies throughout the year to pursue AUC leaders who refused to completely demobilize. In 2007, the CNP arrested AUC leader Hebert Veloza Garcia, alias ‘HH,’ who was under indictment in the U.S. and is now pending extradition. Former AUC Catatumbo Block leader Salvatore Mancuso Gomez, alias ‘Triple Cero,’ and three others were arrested for money laundering by CNP officers despite having already demobilized under the Justice and Peace Law. In August 2007, based on a CNP and Drug Enforcement Administration (DEA) investigation, President Uribe set into motion the eventual expulsion from the Justice and Peace Process of former AUC leader Carlos Mario Jimenez Naranjo, alias ‘Macaco.’ The investigation led to Colombian authorities seizing properties linked to Jimenez and former AUC compatriot Vincente Castano, alias ‘El Profe,’ estimated to be worth more than \$75 million. The CNP also executed approximately 58 seizure warrants throughout Colombia on businesses owned or controlled by known AUC money launderer Giorgio Sale valued at \$36 million dollars.

Several notorious drug cartel leaders were apprehended, including FBI Top Ten Fugitive Diego Leon Montoya Sanchez, alias ‘Don Diego,’ of the Norte de Valle cartel by a Colombian Army elite unit in September 2007. The arrest of Montoya Sanchez followed the January 2007 capture of his younger brother, Eugenio Montoya Sanchez. The CNP provided assistance to Brazilian and U.S. authorities in the arrest of Norte de Valle kingpin Juan Carlos Ramirez Abadia, alias ‘El Chupeta,’ outside Sao Paulo, Brazil in July 2007. The arrest was preceded by the seizure of \$90 million in cash and gold bars in five houses in Cali, Colombia, and the freezing of over \$700 million in luxury assets and real property. In June 2007 the GOC arrested Guatemalan national trafficker and fugitive Otto Herrera Garcia.

Extradition and Mutual Legal Assistance. While there is no bilateral Mutual Legal Assistance Treaty (MLAT) in force between the USG and Colombia, the two countries cooperate extensively via multilateral agreements and conventions, including the OAS Convention on Mutual Legal Assistance and the 1988 UN Drug Convention.

The GOC extradited a record 164 defendants in 2007, including Luis Gomez-Bustamante, alias ‘Rasguno,’ Aldemar Rendon Ramirez, Hernan Prada-Cortes, Juan Manuel Bernal-Palacios, and CPOT Ricardo Mauricio Bernal-Palacios. In addition, the GOC extradited AUC leader Hector Rodriguez. Overall, since December 1987, when Colombia revised its domestic law to permit the extradition of Colombian nationals, 647 individuals have been extradited to the United States, 581 since President Uribe assumed office in 2002.

Also in 2007, the Colombian Office of the Prosecutor General, along with other GOC agencies assisted the USG in several high profile prosecutions and trials. Two previously extradited FARC leaders were convicted in separate trials in United States courts, Juvenal Ovidio Ricardo Palmera-Pineda, alias ‘Simon Trinidad,’ a senior FARC commander, and Anayibe Rojas-Valderrama, alias ‘Sonia,’ a FARC 14th Front Finance Officer. Other previously extradited criminal organization leaders were convicted in U.S. courts, including Joaquin Mario Valencia-Trujillo, convicted in the Middle District of Florida and sentenced to a 40 year prison term, and Manuel Felipe Salazar-Espinosa, alias ‘Hoover,’ convicted in the Southern District of New York.

Demobilization. To facilitate the dismantlement of the FTOs and help reintegrate former guerillas into civilian life, Colombia developed two programs for demobilization: collective and individual. Under the 2005 Justice and Peace law, the High Commissioner for Peace oversees peace negotiations with armed groups and the subsequent collective demobilization program, which

while available to all FTOs has to date been applied only to the AUC. The Ministry of Defense manages the individual demobilization or deserter program that applies to the FTOs and any other illegal armed group in Colombia. Between 2002 and 2007, the GOC estimates that more than 45,000 persons have demobilized—14,000 under individual desertion program and over 31,000 under the collective program. In 2007, a record 2,826 guerrilla fighters deserted from the FARC, representing a desertion rate 50 percent above 2006 levels.

Beginning in October 2007, the GOC decided not to accept additional AUC members into either demobilization program. Following this decision, any AUC members who turn themselves in will now be investigated and prosecuted under normal Colombian law and can no longer benefit from the Justice and Peace law.

Corruption. As a matter of policy, the GOC does not encourage or facilitate the illicit production or distribution of narcotic or psychotropic drugs or other controlled substances, or the laundering of proceeds from illegal drug transactions. According to Transparency International and the World Bank, Colombia has made significant improvements in fighting corruption.

Concerns remain over the corrupt influences of criminal organizations. On August 31, the CNP arrested 50 alleged members of the emerging narco-trafficking gang “Los 40,” including 18 active duty police, two members of the Colombian Directorate of Administrative Security (DAS), a Colombian marine, and a member of the Prosecutor General’s investigative unit (CTI). The breakup of “Los 40” followed revelations of infiltrations of the Colombian Army by drug cartels and the FARC, which were subsequently discovered and broken up. From June through August, the GOC arrested about a dozen public forces members and suspended more than 20 pending further investigation of possible involvement with the Norte de Valle drug cartel.

Separately, several members of the GOC were found to have supported right-wing paramilitary groups. Called the “parapolitical” scandal, one congressman and two governors have been sentenced while two former mayors remain fugitives. Aggressive investigations on the part of the GOC have led to additional cases against 53 Congressmen, 19 mayors, and 10 governors. Both the USG supported Supreme Court investigative unit and a special unit of 11 investigators from the Prosecutor General’s office are continuing their investigations.

Colombia is party to both the Inter-American Convention Against Corruption and the UN Convention against Corruption.

Agreements and Treaties. The GOC is a party to the 1988 UN Drug Convention, the OAS Convention on Mutual Legal Assistance, the UN Convention against Transnational Organized Crime, and the Protocol on Trafficking in Persons. Colombia signed bilateral counternarcotics agreements with the governments of Spain and Russia in 2006. These agreements primarily focus on information sharing, but could include training and technical assistance. The GOC’s 2003 National Security Strategy (Plan de Seguridad Democrática) meets the strategic requirements of the UN Drug Convention, and the GOC is generally in line with its other requirements.

The GOC and the USG continue to successfully use the Maritime Ship Boarding Agreement signed in 1997. This highly successful arrangement provides faster approval to board Colombian-flagged ships in international waters and has improved counternarcotics cooperation between the Colombian Navy and the U.S. Coast Guard (USCG). In 2007, the USCG removed almost 16 MT of cocaine from Colombian flagged fishing vessels under this agreement, including the seizure of a ship smuggling almost 8 MT of liquid cocaine. The 1999 Customs Mutual Assistance Agreement provides a basis for the exchange of information to prevent, investigate, and repress any offense against the customs laws of the U.S. or Colombia. In 2004, Colombia and the U.S. signed a revised agreement establishing the Bilateral Narcotics Control Program, which provides the framework for specific counternarcotics project agreements with the various Colombian implementing agencies.

This agreement has been amended annually and is the vehicle for the bulk of U.S. counternarcotics assistance.

Cultivation/Production. In 2006, the USG increased the survey area of its Colombia coca estimate by 19 percent over the 2005 survey area (2007 survey estimates will not be available until mid-2008). This resulted in the identification of an additional 13,200 hectares of coca, representing a 9 percent increase in the U.S. cultivation estimate from 144,000 to 157,200 hectares. Illicit cultivation continues to be a problem in Colombia's national parks, indigenous reserves, and along the border with Ecuador and Venezuela, where aerial eradication is not employed. Aerial spraying is currently not undertaken within 10 kilometers of international borders. Even though manual eradication does occur in these areas, it is time-consuming and dangerous, due to often rugged and remote terrain and the strategic importance of the border and certain parklands to the FARC. Colombia's potential pure cocaine production was estimated at 610 MT for 2006.

For 2006, Colombian opium poppy cultivation was estimated at 2,400 hectares, remaining near the lowest levels since surveys began in 1996, though up slightly over the 2004 estimate of 2,100 hectares (the USG did not make an estimate for 2005). The GOC eradicated 375 hectares of opium poppy, down from 1,929 hectares eradicated in 2006. Since 2001, when cultivation peaked, sustained eradication efforts have left no plantation sized opium poppy cultivations in Colombia. The Colombian potential pure heroin production for 2006 was estimated at 4.6 MT, reflecting the slightly higher cultivation figure. While the majority of heroin in the U.S. east of the Mississippi still originates in Colombia, seizures continue to show a decline in wholesale purity, from 84.5 percent in 2001 to 62 percent in 2006, according to the DEA Heroin Signature Program.

While Colombian drug trafficking organizations profit from the illicit trafficking of ephedrine, a key ingredient in decongestant medication, there is little evidence that the traffickers are using the substance as a chemical precursor in large scale methamphetamine production. Ephedrine seizures in Colombia increased significantly in 2007 to about 2 million tablets, although this was likely related to increased law enforcement focus instead of greater availability. High profit margins, established drug trafficking routes, and high methamphetamine demand in the United States remain areas of concern. There have been minor seizures of ecstasy in Colombia, but no indication of significant production or export.

Environmental Safeguards. Biannual verification missions, in which soil and water samples are taken before and after spray of herbicide for analysis, continue to show that aerial eradication causes no significant damage to the environment or human health. Residues in these samples have never reached a level outside the established norms. The aerial spray program follows strict environmental safeguards, monitored permanently by several GOC agencies, and adheres to all GOC laws and regulations, including the Colombian Environmental Management Plan. The OAS, which published a study in 2005 positively assessing the chemicals and methodologies used in the aerial spray program, is currently conducting further investigations to be completed in early 2008 regarding spray drift and other relevant issues.

As of October 2007, the GOC had received 7,388 complaints alleging damage to legal crops by spray planes since the tracking of complaints began in 2001. The GOC has concluded the investigation of 6,472 complaints, with 1,598 processed in 2007. Fifty-eight complaints have been found to be valid since 2001, and the USG paid \$325,000 in compensation to farmers. The GOC investigates all claims of human health damage alleged to have been caused by aerial spraying. Since spraying began, the Colombian National Institute of Health has not verified a single case of adverse human health effects linked to aerial spraying.

Drug Flow/Transit. From the Colombian source zone in the mainly southern reaches of the country, shipments of cocaine and heroin are transported by road, river, and small civilian aircraft to the transit zone north and west of the Andes Mountains. Estimates indicate that up to 40 percent

of the cocaine leaving Colombia goes through the complex river network in the south-central region to the south-western coastal shore, mainly in shallow draft boats. There, the narcotics are readied for bulk maritime shipment in go-fast boats and, increasingly, commercial fishing vessels. Small aircraft from clandestine airstrips in eastern and southeastern Colombia are also used to transit drugs to neighboring countries, where it is either consumed there or transferred to airplanes or maritime vessels for onward shipment.

Heroin shipments also originate from the south-western coast, mainly around the Pacific port of Buenaventura, and are commonly transported in containerized cargo concealed in furniture, machine parts, and other items. Less frequently the shipments are combined with cocaine on go-fast boats shipped from the north coast. Heroin is also often concealed in the lining of clothing or luggage, although human carriers (called mules) still swallow heroin wrapped in latex.

An often permissive and corrupt environment has prompted traffickers to increasingly use Venezuela to stage shipments of illicit drugs to Mexico, the Caribbean, the U.S., Europe, and Africa. The Air Bridge Denial program in particular has forced traffickers using small aircraft to shift routes, with more air smuggling now involving short-hop flights to and from Venezuela, resulting in a marked increase in suspect and known illegal flights from Venezuela to Caribbean transshipment points, particularly Haiti and the Dominican Republic. The number of suspected non-commercial flights in Venezuela carrying mostly Colombian cocaine has increased from 61 in 2002 to an estimated 185 flights in 2007.

Demand Reduction. The GOC has been developing a national demand reduction strategy since 2004, but it has not yet been presented to the GOC's National Council on Dangerous Drugs. With USG, UNODC and OAS support, the Ministry of Social Protection and the National Directorate of Dangerous Drugs (DNE) are now preparing to conduct a comprehensive national drug use survey in early 2008. Numerous private entities and nongovernmental organizations (NGOs) work in the area of drug prevention throughout Colombia, and DIRAN has an active Drug Abuse Resistance Education (DARE) program.

The USG continues to support several Colombian and international NGO programs targeted at keeping children drug-free by focusing on school-based drug prevention programs. In 2007, the USG sponsored two drug demand reduction seminars and participated in several drug prevention events, including an event on Best Practices for the Prevention of Drug Usage, organized by the NGO "Mentor Colombia," and a seminar on Evidence-Based Prevention organized by several NGOs.

IV. U.S. Policy Initiatives and Programs

The USG and GOC continue to work on strategies to maximize the use of eradication resources. Working closely with President Uribe's "Program against Illicit Crops," the CNP, COLAR, and the USG have developed coordinated strategies and plans for aerial and manual eradication. In 2008, combined eradication operations are planned for all major coca-growing areas. COLAR's CounterDrug (CD) Brigade has also been more actively involved in supporting operations to protect spray aircraft. By sharing targeting information and coordinating movements, aerial and manual missions aim to break the cycle of replanting, which to date has allowed grower-processors to continue production during periods when no eradication was taking place in the area.

The USG continued to support the Air Bridge Denial (ABD) program, which has completed its fourth year of operations. The ABD program is responsible for the significant decrease in illegal flights over Colombia, from 637 suspected and known illegal flights over Colombia in 2003 to only 171 in 2007, a decrease of more than 73 percent. The program had six law enforcement actions in 2007, resulting in the capture of one aircraft, two boats and two vehicles, the seizure of 1.2 MT of cocaine, the destruction of an estimated two MT of cocaine, and seven arrests.

Nationalization, or the effort to transfer funding and operational responsibilities for counternarcotics programs from the USG to the GOC, increased momentum in 2007. In November 2007, the USG transferred nine helicopters to the GOC involved in the Infrastructure Security Strategy program. Additionally, the USG removed five KMAX helicopters from program support in 2007. In 2008, the USG will begin transferring the Air Bridge Denial program to the GOC, with completion planned by late 2009.

Nationalization also extends to fleet rationalization, which involves consolidating available types of aircraft and maintenance functions to simplify operations. In early 2008, three additional AT-802 aircraft will be delivered, allowing the USG to retire two other models of aircraft and leave just one model for the GOC to support for aerial eradication. The CNP will also begin assuming maintenance funding for a number of aircraft to which it already holds title. DIRAN's aviation unit (ARAVI) will train more pilots and mechanics within Colombia, eliminating the need and expense of contracting pilots and mechanics to service the unit's 18 fixed-wing and 58 rotary-wing aircraft.

U.S. Customs and Border Protection (USCBP) provided training, coordination, and technical assistance to CNP units stationed in the ports and airports. This included training in areas such as passenger documentation analysis, firearms handling, and the inspection of containerized cargo. The USCBP also supported the private sector-led Business Alliance for Secure Commerce (BASC) program, which drew hundreds of Colombian companies. The USCBP led Container Security Initiative (CSI), implemented in September 2007 as a counterterrorism program designed to prevent weapons of mass destruction from being sent to the U.S. is also expected to assist narcotics control efforts.

Throughout 2007 the USCG worked to improve interdiction operations with the Colombian Navy through equipment transfers and training. In October 2007, the USG transferred the ex-USCG Cutter GENTIAN to the Colombian Navy, where it will be used as a support vessel to extend the operational range of smaller Navy platforms. Training activities focused on leadership, crisis management, port security, counterterrorism, contingency planning, and search and rescue. Closer collaboration helped establish the Trilateral Counter Drug Summit, an interdiction forum involving maritime officers, investigators and prosecutors from Colombia, Ecuador and the U.S. The first Summit, held in February 2007 by the Colombian Navy, focused on ways to improve interdiction of traffickers at sea, interdiction practices, and investigative and prosecution initiatives.

The USG-supported Culture of Lawfulness program, designed to promote respect for the rule of law and civic responsibility, was formalized as a course in 2007 in both GOC officer basic training programs and patrol cadet academies. By the beginning of 2008, there will be approximately 41,000 students taking a 60-hour course taught by more than 782 teachers in 15 municipalities.

Alternative Development. Joint USG and GOC efforts are encouraging farmers to abandon the production of illicit crops in roughly one-third of the country that covers about 80 percent of Colombia's population. USG programs have supported the cultivation of over 158,000 hectares of legal crops and completed 1,179 social and productive infrastructure projects in the last six years. More than 135,000 families in 17 departments have benefited from these programs. In addition, to ensure that Colombians are provided with alternatives, the USG has worked with Colombia's private sector to create an additional 109,728 full-time equivalent jobs.

Support for Democracy and Judicial Reform. Through the Justice Sector Reform Program (JSRP) and rule of law assistance, the USG is helping reform and strengthen the criminal justice system in Colombia. The transition to an oral accusatory criminal justice system began in 2005, and was fully implemented throughout the country on Jan 1, 2008. The JSRP has provided training and technical assistance to support the new roles of judges, prosecutors, and police investigators by focusing on practical "hands on" training including crime scene and courtroom simulations. Training elements include the collection and presentation of evidence, understanding the stages of

the proceedings, advocacy techniques, and mock trials. The program has provided accusatorial system training to more than 64 thousand prosecutors, judges, criminal investigators, and forensic experts.

Military Justice. With USG support, the GOC is implementing an aggressive plan to train and educate military attorneys, judges, officers, and commanders in international human rights law, rules of engagement sensitive to civilian casualties, extrajudicial killings, effective judicial procedures, and government ethics. These efforts included six conferences at strategic “centers of gravity” locations throughout Colombia that trained over 400 Colombian military participants. Key GOC leadership attended and spoke at these events, including the Minister of Defense. The training emphasized the importance of human rights norms, effective operational law standards, professionalism in judicial conduct, and values-based ethical behavior.

The Road Ahead. In 2008, the GOC will look to build on the success of the many HVTs captured and extradited to the U.S. by continuing to dismantle the FTOs and illegal armed groups that run the drug trade in Colombia. As these groups are dismantled, challenges remain in finding and derailing the smaller and less organized successors that have started to fill the power vacuum. Nationalization of counternarcotics funding and operations currently supported by the USG, while maintaining successful operational results, will remain a top priority. Other challenges for 2008 include successfully coordinating aerial and manual eradication efforts, while adjusting the strategy to inhibit the rapid replanting of coca and increased illicit cultivation in no-spray zones. To consolidate the progress from 2007 and prior years, the GOC will continue to strengthen government presence in conflict areas while improving institutional capacity to provide services and economic opportunities. This will require continued GOC efforts to gain control of the vast Pacific coastal zones, demobilize and reintegrate ex-combatants, and advance reconciliation and victim reparations processes.

V. Statistical Table

	2007	2006	2005	2004	2003	2002	2001	2000
Coca								
Net Cultivation ¹ (ha)		157,200	144,000	114,000	113,850	144,450	169,800	136,200
Aerial Eradication (ha)	153,133	171,613	138,775	136,555	132,817	122,695	84,251	47,371
Manual Eradication (ha)	66,396	42,111	31,285	10,991				
HCl (Cocaine): Potential ¹ (MT)		610	545	430	460	571	839	580
Opium Poppy								
Net Cultivation ¹ (ha)		2,400		2,100	4,400	4,900	6,540	5,010
Aerial Eradication (ha)		232	1,624	3,060	2,994	3,371	2,583	9,254
Manual Eradication (ha)	375	1,697	497	1,497				
Heroin: Potential ¹ (MT)		4.6		3.8	7.8	8.5	11.4	8.7
Seizures								
Coca Base/Paste (MT)	60.6	48.1	43.8	28.3	31.1	30.0	26.7	0.0
Cocaine HCl (MT)	130.7	130.2	179.0	138.6	114.0	94.0	57.3	69.0
Combined HCl & Base (MT)	191.3	178.3	222.8	166.9	145.1	124.0	84.0	69.0
Heroin	0.6	0.5	0.7	0.7	0.5	0.8	0.8	0.6
Arrests/Detentions	59,652	64,123	82,236	63,791		15,868	15,367	8,600
Labs Destroyed								
Cocaine HCl	240	205						
Base	2,875	1,952						
Heroin	1	9						

Ecuador

I. Summary

Ecuador is a major transit country for illicit drugs trafficked to the United States and chemical precursors for drug production. While the Government of Ecuador (GOE) is actively combating illegal narcotics activities, cartels in Colombia and Peru continue to take advantage of large, sparsely populated border regions and difficult-to-monitor maritime routes to move cocaine, heroin and precursor chemicals through Ecuador. In 2007, the GOE identified cocaine laboratories capable of refining multi-ton quantities of cocaine, and police and military units destroyed several multi-hectare plots of coca plants near the Colombian border. Persistent narcotics activity by Colombian armed insurgent groups has rendered Ecuador's northern border region particularly vulnerable.

In 2007, traffickers attempted to transport, by private aircraft, more than three tons of cocaine from northern Ecuador to Mexico. There was a significant increase in land seizures of cocaine in 2007 over previous years; maritime seizures of multi-ton loads of cocaine were down from the previous two years but still well above historic levels. Protocols that streamline boarding procedures established between the U.S. and Ecuador in 2006 continue facilitated maritime interdictions. Uneven implementation of the criminal procedures code and a slow and sometimes corrupt judicial system hamper prosecutions, although there was some progress in this area in 2007. Ecuador is a party to the 1988 UN Drug Convention.

II. Status of Country

Historically weak public institutions and a judicial sector that is susceptible to corruption, make Ecuador vulnerable to organized crime. Border controls of persons and goods are gradually improving but remain weak and are easily evaded. The Ecuadorian National Police (ENP), military forces, and the judiciary do not have sufficient personnel or equipment to meet all of the international criminal challenges they face.

In 2007, authorities found and eradicated an increasing but still relatively small amount of coca cultivation and destroyed cocaine laboratories near the border with Colombia. Traffickers shipped white gas and other precursor chemicals in large quantities from Ecuador to Colombia and Peru for cocaine processing. Cocaine and small amounts of heroin from Colombia and cocaine from Peru transit Ecuador by land and sea routes for international distribution in volumes ranging from a few hundred grams to multi-ton loads. The practice of shipping drugs via international mail and messenger services increased in 2007, with cocaine generally going to European markets and heroin to the U.S.

III. Country Actions Against Drugs in 2007

Policy Initiatives. President Rafael Correa appointed the former Director of the Anti-Narcotics Police Directorate (DNA) as Commanding General of the National Police (ENP), giving a clear indication that anti-narcotics would be a high priority for his Administration. In September, President Correa announced an emergency-funding package of \$300 million over two years for the ENP, mainly for improving police facilities and operational capabilities.

During 2007, the DNA conducted a series of interdiction operations throughout the country, resulting in the largest amount of land-based seizures in the country's history. The DNA also established, with U.S. assistance, a "1-800-Drogas" nationwide hotline where citizens anonymously call in to report drug activity. Tips from the hotline resulted in numerous seizures of

cocaine and development of cases against other illegal activities such as weapons smuggling. In a related initiative, the DNA fielded a nationwide anti-narcotics billboard campaign. New DNA facilities, built with USG assistance, were opened in 2007 in Carchi Province at Tulcan, on the major roadway connecting Ecuador and Colombia, and in the Port of Esmeraldas in Esmeraldas Province, also near the Colombian border.

The Correa Administration's anti-corruption campaign has strengthened the country's anti-narcotics actions. For example, the new Director of the National Drug Council (CONSEP) implemented changes to improve the agency's prevention programs and the management and disposal of seized assets. He also uncovered corruption among some CONSEP employees, had them arrested, and is pursuing criminal cases against them.

The new Director of the National Postal System improved anti-narcotics controls at international postal facilities by installing USG purchased screening equipment and signing an agreement with the DNA to ensure increased canine screening at the postal facilities.

The Ecuadorian Armed Forces, at the direction of President Correa, increased operations near the Colombian border – conducting seventeen operations in 2007 compared to just nine in 2006. This led to the discovery and destruction of three cocaine producing laboratories, 47 FARC camps, the eradication of 36 hectares of coca, and the confiscation of weapons, communications equipment and other support equipment.

The GOE provided the Navy with approximately \$40 million to establish an operations center in Guayaquil and create a smaller, linked center in the Galapagos to extend its their control of illicit activities to the islands, which lie 600 miles off the mainland. The Navy also plans to procure high-speed boats and unmanned surveillance drones to strengthen controls over Ecuadorian waters, and is developing a better biometrics capability to more quickly identify individuals aboard vessels in Ecuadorian waters.

The Correa Administration has also placed an emphasis on strengthening controls over money laundering, with the Financial Intelligence Unit (FIU) cooperating closely with the DNA, the Superintendent of Banks, the courts and the private banker association in this area. The FIU purchased and installed equipment, recruited and trained personnel and initiated analysis of transactions in December 2007.

Accomplishments. Total seizures by the GOE in 2007 were 22.45 metric tons (MT) of cocaine, 180 kilograms (kg) of heroin and 740 kilograms of cannabis. By comparison, in 2006 the GOE seized 38.16 MT of cocaine, 410 kg of heroin, and 1,110 kg of cannabis. While overall seizures of cocaine were down from 2006 to 2007, seizures by the DNA police on land in 2007 (12.5 MT) far exceeded the amount seized on land in previous years.

Law Enforcement Efforts. In 2007, the DNA conducted operations, which produced a record number of land-based seizures. Maritime seizures in 2007 were lower than the previous two years. In June, Ecuadorian authorities found 5.3 MT of liquefied cocaine concealed under a layer of diesel in the fuel tanks of a fishing vessel, the largest such seizure on record. In July, the DNA found 5.5 MT in underground storage rooms at a decommissioned shrimp farm near Guayaquil. In October, the DNA foiled an attempt to transport an estimated 3.8 MT of cocaine from an airport in northern Ecuador to Mexico; this was the first known attempt since 2003 to use aerial transport to move a multi-ton load from Ecuador.

Corruption. As a matter of policy, no senior GOE official or the GOE, encourages or facilitates the illicit production or distribution of narcotic or psychotropic drugs or other controlled substances, or the laundering of proceeds from illegal drug transactions. The 1990 drug law (Law 108) provides for prosecution of any government official who deliberately impedes the prosecution of anyone charged under that law. Some other aspects of official corruption are criminalized in

Ecuador, but there is no comprehensive anti-corruption law. President Correa's creation of an Anti-Corruption Secretariat and efforts to make the Financial Intelligence Unit operational are helping to strengthen the government's ability to respond to corruption. However these initiatives are not yet fully developed. The Anti-Corruption Secretariat has thus far investigated several allegations of government officials accepting bribes, some related to narcotics trafficking, and has dismissed some employees while building cases against others. Overcrowding and corruption in prisons remains a serious problem, with many drug traffickers able to continue their operations from prison while awaiting trial. President Correa issued an emergency decree in June 2007 to address prison overcrowding and to improve management of the institutions. Correa also announced, in late 2007, the creation of a Ministry of Justice, making resolution of prison issues a top priority for the new ministry. The Correa Administration supported the appointment of an independent Comptroller General who has been active in pursuing allegations of public sector corruption.

Agreements and Treaties. The United States and Ecuador are parties to an extradition treaty, which entered into force in 1873, and a supplement to that treaty which entered into force in 1941. Ecuador is a party to the 1961 UN Single Convention as amended by the 1972 Protocol, the 1971 UN Convention of Psychotropic Substances, and the 1988 UN Drug Convention. It is also a party to the 1992 Inter-American Convention on Mutual Assistance in Criminal Matters, the UN Convention against Corruption, and the UN Convention against Transnational Organized Crime and its protocols on trafficking and migrant smuggling, the Inter-American Convention on Extradition, the Inter-American Convention against Terrorism, and the Inter-American Convention against Illegal Trafficking in Firearms. The GOE has signed bilateral counternarcotics agreements with Colombia, Cuba, Argentina, and the United States, as well as the Summit of the Americas money laundering initiative and the OAS/CICAD document on an Anti-Drug Hemispheric Strategy. The GOE and the USG have agreements on measures to prevent the diversion of chemical substances, on the sharing of information on currency transactions over \$10,000, and a Customs Mutual Assistance Agreement. In October 2007, Ecuador hosted the United Nations Office of Drug Control sponsored Heads of Law Enforcement Agencies Conference for Latin America and the Caribbean.

Ecuador's Constitution prohibits the extradition of Ecuadorian citizens, but the GOE cooperates in the extradition or deportation of third country nationals. The GOE is taking steps with USG assistance to establish a rapid method to confirm the validity of national ID cards of individuals detained on drug smuggling vessels on the high seas and claiming Ecuadorian citizenship to avoid extradition.

Cultivation/Production. Ecuadorian military and police forces located and destroyed approximately 36 hectares of cultivated coca plants in scattered sites near the Colombian border. There has been a small, but steady increase in the number of planting locations identified and eradicated each year since 2004.

Demand Reduction. Coordination of abuse prevention programs is the responsibility of CONSEP, which continued its multi-agency national prevention campaign in the schools and expanded programs in 2007 to certain municipalities. All public institutions, including the armed forces, are required to have abuse prevention programs in the workplace.

Regional Coordination. Friction between Colombia and Ecuador on counternarcotics policies returned in late 2006 and early 2007 when Colombia resumed aerial spraying in Colombia's ten-kilometer border zone with Ecuador. Senior GOE officials again alleged that Colombian aerial eradication near the border harms humans, animals, and licit crops on the Ecuadorian side. The GOE requested a written statement from the Colombian government that it will permanently stop aerial eradication, to be replaced by manual eradication in the border zone, as well as provide compensation to those Ecuadorians living in allegedly affected areas. Colombia responded that it

would provide compensation to those who can prove that they have incurred physical damage as a result of the spraying. Maritime officers, investigators and prosecutors from Colombia, Ecuador, and the United States established a Trilateral Counterdrug Summit to improve interdiction of traffickers at sea, interdiction practices, and investigative and prosecution initiatives. The Colombian Navy hosted the first Summit in February 2007 and the Ecuadorian Navy hosted the second Summit in November 2007.

Alternative Development. In 2007, the GOE continued implementation of its northern border development master plan aimed at preventive alternative development. Illicit crop cultivation is not currently significant in the area but is a severe problem in the immediately adjacent region of Colombia. The GOE and the U.S. Agency for International Development (USAID) continued to cooperate effectively on alternative development strategies for the northern border during 2007.

IV. U.S. Policy Initiatives and Programs

Policy Initiatives. U.S. counternarcotics assistance is provided to improve the professional capabilities, equipment, and integrity of Ecuador's police, military, and judicial agencies to enable them to more effectively combat criminal organizations involved in narcotics trafficking and money laundering. A U.S. priority has been to support Ecuadorian police and military presence in the Northern Border region near Colombia, and police presence in other strategically important locations throughout the country. USG programs also seek to increase awareness of the dangers of drug abuse.

Bilateral Cooperation. The U.S. provided support to the military to facilitate their mobility and communications during operations near the Northern Border. In 2007, the U.S. increased support for Ecuadorian Navy elements to better mobilize, equip and train them for narcotics interdiction activities. The USG also provided law enforcement, crisis management, professional development, and operations planning training to the Ecuadorian Navy in 2007. A U.S. funded pier at an Ecuadorian Marine base in the town of San Lorenzo, 10 miles south of the Colombian border, was inaugurated in October 2007. The pier will provide the Ecuadorian Navy increased access, especially at low tide, to the rivers, estuaries, and ocean at this strategically important location. The procedures for boarding suspected smuggling vessels on the high seas agreed, to in August 2006, are working well and continue to result in successful large-scale drug interdiction operations. In FY 2007, these procedures enabled U.S. maritime assets to remove 57,785 lbs of cocaine over the course of boarding seven Ecuadorian flagged vessels.

U.S. support for the DNA police helped ensure its mobility and improve communications, drug detection and investigative capabilities in order to conduct operations. The U.S. also provided support for the DNA canine unit and the specialized mobile anti-narcotics police (GEMA), which are critical elements of effective control and interdiction. In September 2007, a U.S.-funded DNA police provincial headquarters was inaugurated in the town of Tulcan in Carchi province just south of the Colombian border. The headquarters, which includes dormitories for 100 police, kennels and inspection areas, will enhance narcotics control on the main roadway between Ecuador and Colombia and will serve as a base of operations for the GEMA.

Cooperation in the judicial sector was strong in 2007. A three-year cooperative project among the Embassy, the National Judicial Council and a local university, created the first ever automated database of all criminal cases in process throughout the country since 2003. The database will enhance the management and transparency of the adjudication of criminal cases, helping address the perennial problems of delays and corruption. Concurrently, a major U.S. funded American Bar Association training program is providing prosecutors, judges and judicial police throughout the country with training to strengthen their ability to use the relatively new trial procedures that were enacted in the 2001 Criminal Procedures Code.

The U.S. also supports the implementation of a Financial Intelligence Unit as well as police investigative units being formed and trained to combat money laundering and financial crimes.

The Road Ahead. Ecuador is effectively interdicting illicit drugs and chemicals, eradicating coca plantations near the Colombian border and destroying cocaine-producing labs. These illicit activities are a growing problem as drug cartels attempt to expand their operations and exploit perceived weaknesses. Continued patrolling and control along the Colombian border is essential due to the close proximity of drug cartels and production sites. Enhanced controls along Ecuador's maritime border, including improved port security, patrolling and inspections, are also essential tools for regulating maritime trafficking of large shipments.

The control and prosecution of money laundering and corruption will also be a high priority as this is critical to attacking the leadership of narcotics cartels. The U.S. will continue to support implementation of justice sector reforms such as the criminal case tracking system, training programs to speed up the prosecution of criminal cases and strengthening of Financial Intelligence Unit operations.

Paraguay

I. Summary

In an attempt to reverse its status as a major drug transit country and the largest producer of marijuana in the region, Paraguay's National Counternarcotics Secretariat (SENAD) undertook some serious steps to combat narcotics trafficking in 2007. SENAD disrupted transnational criminal networks in close cooperation with international law enforcement agencies and made record seizures of marijuana and cocaine. Paraguay is a party to the 1988 UN Drug Convention.

II. Status of Country

Paraguay is a major transit country for Andean cocaine destined for Brazil, other Southern Cone markets and Europe. Brazilian nationals head most trafficking organizations in Paraguay; some purchase cocaine from the Revolutionary Armed Forces of Colombia (FARC) in exchange for currency and weapons. SENAD's operating base in Pedro Juan Caballero, which opened in 2006 on Paraguay's northeastern border with Brazil and expanded canine-assisted drug detection operations in the east, contributed to SENAD's record seizures this year. Paraguay has become the largest producer of marijuana in South America. With a high content of tetrahydrocannabinol (THC), marijuana is cultivated throughout the country, principally along the borders with Brazil and Argentina. Paraguayan marijuana is primarily trafficked for consumption in neighboring countries. Despite SENAD's efforts, the Government of Paraguay's (GOP) ability to prosecute and fight transnational and organized crime is hampered by resource constraints, competing government priorities, weak laws and pervasive corruption in the public sector. SENAD's total budget is \$1.5 million, of which only \$150,000 is allocated to counternarcotics operations, while the rest covers salaries and administrative expenses.

III. Country Actions Against Drugs in 2007

Policy Initiatives. SENAD has taken serious steps to control drugs and their negative effects on the general population by going after major drug trafficking organizations and their assets. Disbanding major trafficking organizations is a priority component of the GOP's campaign to reduce the amount of drugs produced and trafficked in its territory. SENAD's "Most Wanted" public affairs campaign, initiated in 2005, carries spots on radio stations and runs photographs of drug traffickers on billboards and buses, which have generated leads resulting in several arrests of drug criminals. A bill pending in Paraguay's Congress would make SENAD an autonomous institution with the power to independently regulate its agents. SENAD is also seeking to professionalize its agents through training and the addition of fifty agents to its staff in late 2006. It has asked for an additional 30 new agents for 2008, which would give SENAD a total of 165 agents.

SENAD's internal affairs unit investigated several claims of misconduct; five agents were terminated in 2007 for intimidating and threatening citizens after regular working hours.

Accomplishments. In 2007, SENAD's drug seizures broke all records since its creation in 1991. SENAD seized 820 kilograms (kg) of cocaine, 100 metric tons (MT) of marijuana and 18 vehicles. SENAD arrested several well-known drug traffickers, including Edmar Dois Rei Almeida, Jesus Hernando Gutierrez and six members of his cartel, Jarvis Pavao's stepfather Paulo Larson Dias, and Ronie Alves de Campos and confiscated their assets. SENAD conducted operations in Pedro Juan Caballero which was previously off limits to serious law enforcement measures because of corruption and lack of state presence. SENAD also detained 170 persons and extradited two, one each to Argentina and Brazil. In late December, the Paraguayan Congress finally passed an

improved version of the penal code which, with the President's signature, will become law in early 2008. The new code makes money laundering an "autonomous" crime (one in which no predicate offense conviction is required) punishable by a prison term of up to ten years, and improves Paraguay's legislative framework for intellectual property and trafficking in persons violations.

Law Enforcement Efforts. SENAD's regional operational facility in Pedro Juan Caballero, which includes a helicopter landing pad and hangar, played a key role in several major arrests and seizures. In June, a joint intelligence operation between SENAD and the Brazilian Federal Police (BFP) netted 450 kg of cocaine. Six people were arrested, including three Paraguayan police officers for providing safe passage to the traffickers. In another operation run out of that facility, SENAD failed in its attempt to arrest Brazilian drug trafficker Jarvis Jimenez Pavao, but seized over 100 kg of cocaine from Pavao's ranch and detained Pavao's son. Over \$9 million in real property, furniture, luxury vehicles, and tractors were seized. The final sentence could result in the forfeiture of the assets to the GOP. In September, SENAD seized 28 MT of processed marijuana destined for Brazil and valued at \$28 million. In August, Leoncio Mareco, a Paraguayan associate of Brazilian narcotrafficker, Ivan Mendes Mesquita, was convicted on drug trafficking and money laundering offenses and sentenced to 20 years in prison, and his wife to 10 years for money laundering.

A bill pending in Congress would give needed tools to SENAD to carry out its mandate more effectively. Currently, SENAD officials are considered civil servants and are not issued weapons but may carry their own weapons. Under the new law, which the Lower House approved and is now pending in the Senate, SENAD agents would have the legal status of law enforcement agents.

Corruption. As a matter of policy, no senior GOP official or the GOP encourages or facilitates the illicit production or distribution of narcotic or psychotropic drugs or other controlled substances, or the laundering of proceeds from illegal drug transactions. Nevertheless, corruption and inefficiency within the Paraguayan National Police (PNP), the broader judicial system and other public sector institutions, negatively impact SENAD operations. Combating official corruption remains a daunting challenge for the GOP; several government prosecutors from the Anti-corruption Unit opened cases against government officials last year. However, these cases were impeded by corruption and inefficiency, which frequently resulted in dismissals on technical grounds. A blatant example of the depth of this challenge was the October 2007 naming of Former Police Commissioner Aristides Cabral as the Ministry of Interior's Director of Intelligence. Cabral is known for his strong ties to certain drug traffickers, when he was the Commissioner of Police until his retirement in 2006.

Agreements and Treaties. Paraguay is a party to the 1988 Drug Trafficking Convention, the 1961 UN Single Convention on Narcotic Drugs as amended by the 1972 Protocol, and the 1971 UN Convention on Psychotropic Substances. The GOP is also a party to the UN Convention against Transnational Organized Crime and its two protocols

(Trafficking in Persons and Migrant Smuggling), the UN Convention against Corruption, the Inter-American Convention against Corruption, the Inter-American Convention against Terrorism, the Inter American Convention against Trafficking in illegal Firearms, and the Inter-American Convention on Mutual Assistance in Criminal Matters. In 2002, the USG signed a Custom Mutual Assistance Agreement with the government of Paraguay. The GOP also signed the OAS/CICAD Hemispheric Drug Strategy. Paraguay has law enforcement agreements with Brazil, Argentina, Chile, Venezuela and Colombia. An extradition treaty between the United States and Paraguay entered in force in 2001, and the 1987 bilateral letter of agreement under which the United States provides counternarcotics assistance to Paraguay was extended in 2007.

Cultivation/Production. Paraguay is the largest producer of marijuana in South America. The crop is primarily cultivated in the departments of Amambay, San Pedro, Canindeyu and

Concepcion and is harvested year round. Marijuana production has dramatically increased in recent years, spreading to nontraditional rural areas of the country. SENAD destroyed 1,552 hectares of marijuana in 2007. There are approximately 5,500 hectares (UN and SENAD estimates) of marijuana remain scattered around the country.

Drug Flow/Transit. Paraguay is a transit country for cocaine from Bolivia, Peru and Colombia. Only a small portion of the cocaine that transits Paraguay is destined for the United States. According to SENAD, 30-40 MT of cocaine annually transits Paraguay's porous borders en route to Brazil and other Southern Cone markets as well as to Europe, Africa and the Middle East. Traffickers are encouraged by the lack of controls along Paraguay's vast border as well as the significant number of unscrupulous law enforcement officials. The northwestern part of the country is especially poorly monitored, making that region an attractive place for staging transshipments of drugs, weapons and other contraband.

Domestic Programs/Demand Reduction. SENAD's drug prevention program continues to deliver valuable messages through educational workshops to Paraguayan children. SENAD has the principal coordinating role under the "National Program against Drug Abuse" and works with the Ministries of Education and Health and several non-governmental organizations (NGOs) on program development, implementation and dissemination. The USG supports SENAD's very limited budget for demand reduction, and its program has been concentrated in the central departments of Paraguay. In 2007, a pilot prevention program was introduced in the Pedro Juan Caballero. SENAD sponsored 1,476 workshops in 247 schools, reaching 45,000 students, parents and teachers.

IV. U.S. Policy Initiatives and Programs

Bilateral Cooperation. USG programs and policies in Paraguay focus on assisting the GOP to disrupt drug trafficking organizations and institute stronger legal and regulatory measures to combat drug trafficking and money laundering. U.S. assistance supports SENAD's operations, including its base of operations in Pedro Juan Caballero and an expanded canine-assisted drug detection program. U.S. assistance also supports SENAD operations in the northwestern town of Mariscal Estigarribia. USG-sponsored training programs sent SENAD canine handlers to Guatemala and two agents to Colombia. Other SENAD agents participated in DEA's Special Agent exchange program with Chile, Bolivia, Brazil and Argentina. U.S. assistance also provided operational support and equipment to Paraguay's intellectual property operational unit (UTE), as well as training seminars on intellectual property issues. The USG continued to provide a Resident Legal Advisor (RLA) to assist GOP efforts to pass and implement effective laws to combat money laundering, intellectual property theft and terrorist financing.

The Road Ahead. Although the GOP achieved record-breaking results in seizures and arrests in 2007, it must continue to focus its efforts to target major narcotics trafficking organizations operating in Paraguay. To do that, the GOP will have to allocate additional resources to law enforcement agencies and implement legal tools to facilitate investigations, the seizure and forfeiture of assets and prosecution of major offenders. The GOP must also pass and enact additional anti-money laundering legislation that meets international standards. The USG will continue to support GOP efforts to enhance its institutional capabilities to combat drug trafficking and money laundering, through its bilateral agreement as well as encourage, through diplomatic engagement at the highest levels, strong GOP will to prosecute transnational and organized crime figures. The USG will continue assisting SENAD and other relevant GOP bodies in their efforts to draft, legislate, and implement an asset seizure and forfeiture law, a criminal code and the criminal procedure code.

Peru

I. Summary

In 2007, after some initial concessions to coca growers (“cocaleros”), the Garcia administration took a strong public stance against illicit coca cultivation, made strides to interdict drugs and precursor chemicals, and committed to substantially reduce cocaine production. The GOP exceeded its programmed coca eradication goal of 10,000 hectares by eliminating 11,057 hectares in 2007. Voluntary eradication eliminated an additional 1,016 hectares of coca.

The GOP showed resolve in continuing programmed eradication despite violent attacks by narco-terrorists against counternarcotics (CN) authorities. Interlinking alternative development (AD) and programmed eradication has a proven record of success in reducing coca cultivation. In San Martin, despite initial challenges where communities were threatened and pressured by armed trafficking groups not to sign up for the program, the strong desire of the communities for post-eradication AD benefits won. The program in that region now has a greater demand from communities wanting to join than it can accommodate.

In September at the National Cocalero Conference, and in other public forums, cocalero leaders promoted the legal uses and benefits of coca leaf. Despite this, polls show greater public understanding of the close linkage between illegal coca cultivation and the negative impact of narco-trafficking on Peru and its people. Peru is a party to the 1988 UN Drug Convention.

II. Status of Country

Peru is a major cocaine producing country and is also a major importer of precursor chemicals for cocaine production. In June, the GOP passed law 29037 that modified the Penal Code and Law 28305, imposing stiffer penalties and strengthening procedures to ensure proper handling of controlled chemicals.

2007 was the first year of Peru’s National Drug Plan 2007-2011. The basic policy nexus between interdiction, eradication, and alternative development that underlies U.S. assistance programs remained unchanged, but the new plan has an increased emphasis on development assistance and precursor chemical interdiction. In 2007, Peru made steady progress in strengthening police capacity in areas east of the Andes. An additional 727 police officers with a 3-year commitment to counternarcotics graduated from USG-supported police academies in March, reinforcing the 400 police who graduated in 2005. By the end of 2008, over 3,000 new police will be operating in the source zones. The influx of well-trained police in 2007 allowed the Peruvian National Police (PNP) to effect sustained interdiction in the Apurimac and Ene River Valleys (VRAE) and to carry out eradication in areas of the Huallaga valley that have violently resisted programmed eradication in the past.

While a national cocalero organization exists, dissension in the ranks has stymied attempts at developing a national political movement. The first act of the new leadership of the National Cocalero Congress (CONRACCD), elected in September 2007, was to call for a strike to oppose the eradication operations in Tocache, which failed for lack of local support. At the September Conference, and in other public forums, cocalero leaders have also promoted the legal uses and benefits of coca leaf. Individual local and regional leaders have organized aggressive, and sometimes violent, marches and demonstrations opposing eradication operations.

In the coca source zone of the Upper Huallaga Valley (UHV), cocaleros, incited by their leaders, engaged in violent acts to resist the eradication efforts. The link between narco-trafficking and Shining Path (Sendero Luminoso-SL) terrorist organizations located in the UHV and the VRAE

became increasingly evident in 2007 as narco-terrorists ambushed, injured and killed police and eradication workers, and also threatened alternative development teams.

III. Country Actions Against Drugs in 2007

Policy Initiatives. In 2007, positive developments by the GOP included counterterrorism sweeps that led to a spate of arrests of SL collaborators. The Peruvian Congress passed a package of laws addressing organized crime, drugs and terrorism. The Congress strengthened provisions of the Precursor Chemical law of 2004 with passage of Law 29037 and Law 28305, which modified the Penal Code to impose stiffer penalties and strengthened procedures to ensure proper handling of controlled chemicals. In September, the Supreme Court upheld the conviction and 20-year sentence of drug “kingpin” Fernando Zevallos.

The Justice Ministry took steps in 2007 to strengthen its prosecutorial capacity in drug-involved areas by increasing staff and improving investigative and procedural skills. Nonetheless, anecdotal evidence suggests that many judges in such areas remain beholden to narco-interests. In July, the Garcia Administration promulgated a package of legislative decrees against drug trafficking, money laundering, terrorism, extortion, trafficking in persons, and other forms of organized crimes. Included in the package was a law to establish a non-penal asset forfeiture regime in Peru modeled after Colombia’s law, and stronger penalties for money laundering. In July 2007, the Congress passed the package. One modification eliminated the requirement that illegal activities such as drug trafficking and extortion that produce illicit funds has to be proved before assets are seized. This requirement had been a major roadblock in the successful prosecution of money launderers.

Law Enforcement Efforts. By early November 2007, the PNP Narcotics Directorate (DIRANDRO) mounted successful operations in the UHV and the VRAE, destroying over 650 cocaine-production laboratories and 1,824 metric tons (MT) of coca leaf. The PNP also seized over 858 MT of precursor chemicals. Nationwide, USG and Peruvian law enforcement efforts have led to 7.9 MT of cocaine hydrochloride (HCl) and 5.7 MT of cocaine base seized in maritime, airport and land interdictions, and 1.8 MT seized in international operations conducted by the joint Peruvian Customs and National Police Manifest Review Unit (MRU). Peruvian Customs (SUNAT) personnel examined an average of 6,600 containers per month nationwide, compared to 3-4 per month less than two years ago. Nonetheless, traffickers continued to adapt to counternarcotics strategies and tactics, experimenting with new delivery and production methods. Bricks of powder cocaine are no longer the standard method of delivery. Cocaine has been found fixed with barium sulfate and fertilizer and hidden in objects such as piggy banks and plastic avocados. Timber such as mahogany, is also hollowed out and stuffed with cocaine, and jars of pineapple shipped by the caseload have been found with liquid cocaine.

The PNP continued operating Basic Training Academies at Santa Lucia, Mazamari and Ayacucho Police Bases located in the two main coca source zones. In total, 1,547 CN male and female police officers graduated from PNP training academies, including 727 in March and 900 in December. The increase of DIRANDRO personnel in the source zones has contributed to sustained eradication and interdiction operations. An Advanced PNP Officers Tactical Operations Training School has been established in Santa Lucia to enhance leadership and tactical operation skills of officers who will command newly graduated police from the NAS/PNP Basic Training Academies. Additionally, NAS/PNP Pre-Academies have been established adjacent to the Mazamari, Santa Lucia and Ayacucho bases to improve the academic preparation of local applicants for the police entrance exam.

Recognizing that drug-trafficking organizations are not hindered by national borders, Peru’s law enforcement organizations conducted joint operations with neighboring countries. DIRANDRO participated in a drug enforcement strategy conference to address drug trafficking along Peru’s

borders with Brazil, Colombia, and Ecuador, as well as a regional International Drug Enforcement Conference (IDEC) hosted by DEA Peru in February 2007. Peru actively participated in the Counternarcotics Officer Exchange Program with Bolivia, Brazil and Ecuador to enhance cross-border drug enforcement efforts.

Maritime/Airport Interdiction Programs. The USG and GOP cooperated to improve port security and to address increased maritime smuggling at key Peruvian air and sea ports. At the Jorge Chavez International Airport in Lima, interdiction operations netted over 4 MT of cocaine, leading to more than 600 arrests in 2007. Also in 2007, seven drug detection canines and their Peruvian handlers were trained in the United States, doubling Peruvian Customs canine capacity. Since Customs canine detection teams were first deployed in 2006, they have been responsible for the seizure of 10 MT of cocaine HCl.

SUNAT continued to improve its counternarcotics efforts in 2007 by using intelligence to target interdiction efforts and employing technologically advanced equipment to conduct more effective searches. This included USG-provided non-intrusive inspection equipment (NIIE), such as ion-scanners, density detectors, fiber-optics, mobile x-ray units and CAB-2000 scanners in the ports of Callao and Paita. Compared to previous reports of only 48 export containers inspected annually, since the NIIE came into use in 2006, 80,056 containers have been scanned and 2,293 physically inspected in the Port of Callao; 27,171 containers were scanned and 1,744 were physically inspected in the Port of Paita and 1,041 containers have been inspected in warehouses elsewhere in Paita.

The Peruvian Manifest Review Unit (MRU), which receives and analyzes information and intelligence from all Peruvian maritime ports and the international airport in Lima, received a new Peruvian Coast Guard intelligence and monitoring system (“SIMON”) that provides information to the MRU on all fishing boat activity collected by port authorities. Data on all merchant vessels will soon be included. SUNAT disseminated domestic and international alerts leading to multi-ton cocaine and illicit money seizures.

Cultivation/Production. The Government of Peru’s Office of Drug Control (DEVIDA) reported that, according to a United Nation’s assessment, the 51,400 hectares of coca under cultivation in Peru could produce a potential annual harvest of approximately 114,000 MT of coca leaf yielding up to 280 MT of cocaine. Using a Cocaine Production Averted (CPA) formula developed by the GOP and USG, eradication of 12,000 hectares of coca prevented over 56 MT of cocaine from being produced in 2007. The price of coca leaf has risen steadily for the past five years. Except in areas of continuous interdiction though, the number of hectares under cultivation has stabilized with programmed eradication.

Approximately four million Peruvians use up to 9,000 MT of coca leaf for legal purposes each year. The GOP estimates that over 90 percent of coca cultivation goes to narco-trafficking. About 65,000 families are involved in growing, processing coca leaf, and trafficking cocaine HCl and base.

In 2007, the GOP mounted an aggressive eradication campaign in the Upper Huallaga Valley, which spans the Regions of San Martin, Huanuco, and Ucayali. CORAH, the GOP’s coca eradication group, exceeded their programmed eradication goal for the third year in a row. Success in the eradication campaign is largely attributed to the resolve of the police and CORAH leadership to increase operational security and remain in conflict-prone zones until all coca had been eradicated. Despite the support of programmed and voluntary eradication programs’ many UHV communities’ inspections revealed re-planting by some farmers.

Attacks on police and CORAH personnel are linked to SL terrorists affiliated with narco-trafficking organizations. These narco-terrorists protect drug transportation routes, attack CN personnel, and support their operations through coca cultivation and cocaine production.

Drug Flow/Transit. For the past three years, cocaine HCl has been the principal cocaine product being smuggled from Peru. Cocaine base and HCl are transported from coca production zones, primarily from the UHV and the VRAE, via river, land, and air to Peru's coastal and border areas. Cocaine HCl is exported to Brazil, Europe, Mexico, the Far East, and the United States by sea and commercial air flights. Although the U.S. and Europe are the primary destinations for Peruvian cocaine, U.S. law enforcement and its counterparts in Australia, Hong Kong, Japan, Malaysia, and Thailand have found Peruvian trafficking organizations operating in the Far East. In addition, cocaine HCl is primarily transshipped by land through Bolivia, Brazil, Chile, and Ecuador to consumer markets in the United States and Europe.

Colombians and Mexicans are frequently found, along with Peruvians, to be involved with major drug transportation operations of multi-kilogram and multi-ton loads to Colombia, Mexico, and the Caribbean. Drug intelligence and investigations have detected clandestine airstrips near coca cultivation sites and along Peru's borders, indicating a possible resurgence of drug trafficking by air.

Opium Poppy. Opium poppy cultivation in Peru remains limited but is of international concern. Opiate trafficking, which includes opium poppy cultivation and the production of opium latex and morphine, is concentrated in the northern and central parts of the country. Opium poppy cultivation has also been seen in the UHV and VRAE coca source zones. Opium latex from Peru is shipped overland to Ecuador and Colombia where it is processed into heroin. Minimal eradication of opium poppies (on less than 30 hectares) occurred in 2007, compared to 2006 when over one million amapola plants were seized on approximately 88 hectares, and in 2005 when 92 hectares were eradicated. It is unclear whether this drop in seizures is related to the relocation of opium poppy plantations or decreased cultivation in Peru. Although opium is being harvested for sale in the northern areas of Peru, minimal production of morphine base and heroin has been detected, according to Peruvian officials.

Corruption. As a matter of policy, the GOP does not encourage or facilitate the illicit production or distribution of narcotic or psychotropic drugs or other controlled substances, or the laundering of the proceeds from illegal drug transactions. There are no current investigations of any GOP officials directly related to drug trafficking.

Extradition and Mutual Legal Assistance. The U.S. and Peru are parties to an extradition treaty that entered into force in 2003. Among the five U.S. extradition and provisional arrests still pending, three are related to narco-trafficking. There were no new extradition requests in 2007. Peruvian law requires an individual to serve his/her sentence in Peru before being eligible for extradition. Consequently, no Peruvians have been extradited to the United States.

Agreements and Treaties. Peru is a party to the 1961 UN Single Convention, as amended by the 1972 Protocol; the 1971 UN Convention on Psychotropic Substances; the 1988 UN Drug Convention; the Inter-American Convention on Mutual assistance in Criminal Matters; the Inter-American Convention Against Corruption; the UN Convention against Transnational Organized Crime and its three protocols, and the UN Convention against Corruption.

Domestic Programs/Demand Reduction. A survey sponsored by the United Nations Office on Drugs, the Organization of American States, DEVIDA and NAS showed that illegal drug use is increasing at all levels of Peruvian society. Drugs are inexpensive and easy to obtain with marihuana considered the most prevalent drug consumed, followed by cocaine HCl and cocaine base. Peruvian public opinion surveys revealed the growing recognition of the active role of coca

farmers in drug trafficking and the influence of narco-traffickers over coca grower organizations. Over 77 percent of those polled recognized that most coca leaf is destined for narco-trafficking; 61 percent acknowledged that coca growers are part of the drug supply chain. The change in Peruvian perceptions about coca growing and the complicity of coca farmers in narco-trafficking is to a great extent due to concerted USG and GOP efforts to inform the public in the media, via press, television and radio and among Peruvian government officials. This includes a year-long prime-time counternarcotics radio advertisement campaign on the national radio network, “Radioprogramas del Peru” that reached an audience of several million Peruvians every day.

In 2007, the USG supported local NGOs which developed 6 additional community counternarcotics coalitions (CAC) in poor communities in Lima. The US-based NGO Community Anti-Drug Coalitions of America (CADCA) provided technical assistance in the development of CACs that included training on recognizing ineffective, corrupt public institutions and resurrecting weak civil-society organizations. With Peruvian communities also actively supporting CACs by donating time and resources, the CAC model can be sustained to reduce drug use.

Alternative Development (AD) Program. The AD program in Peru has achieved sustainable reductions in coca cultivation through an integrated approach that increases the economic competitiveness of coca-growing areas while improving local governance. The program works to change perceptions and the long-term behaviors of coca farmers for the long term. At the close of its fifth year, a total of over 63,500 families had committed to the voluntary eradication program, eradicating a total of over 15,100 hectares of coca in their communities. In FY 2007, 9,976 families joined the voluntary eradication program, pulling up over 2,000 hectares of coca. Infrastructure and productive activities in voluntary eradication communities have resulted in the completion of more than 640 community-selected infrastructure projects since the program began in 2002.

The core of the AD program—technical assistance to farmers so that they can grow alternative crops – ensured that in FY 2007 over 30,000 family farmers received technical assistance on 48,700 hectares of licit crops, including cacao, coffee and African oil palm. In FY 2007, AD assistance to the licit economy in AD areas resulted in approximately \$5 million of additional licit sales for those organizations in districts where voluntary eradication is taking place.

The post-programmed eradication alternative development program, launched in the final months of FY 2006, has made solid gains and is changing the hard-core coca-based mindset of the Tocache community. Post-programmed eradication looks to keep eradicated communities from replanting, making the programmed eradication sustainable. In FY 2007 in Tocache, 2,899 families in 48 communities signed non-replanting agreements bringing the total to 5,868 families and 87 communities in post-eradication AD. As USAID and CORAH identify future areas for expanded post-eradication alternative development, Tocache serves as an example to other communities that a viable alternative to coca cultivation does exist.

IV. U.S. Policy Initiatives and Programs

Bilateral Cooperation. The USG continues to support the GOP’s CN operations in the main drug source zones of the UHV and the VRAE, including eradication and interdiction. In 2007 the USG provided assistance to the Basic Training Academies, pre-Academies, and the Advanced Officer Training School. A PNP Canine Training Program was implemented at Santa Lucia with support of U.S. Customs. The canine teams are being trained to detect improvised explosive devices in open fields where eradication and helicopter operations take place. They will also support mobile road interdiction units to detect precursor chemicals, drugs, and money transiting through the source zones. The overarching goal of all these programs is to assist the GOP in increasing state presence and security and to increase operational effectiveness in coca zones. In 2007, the USG also

provided maritime interdiction and law enforcement training to the Peruvian Navy and Coast Guard.

Regional Aerial Interdiction Initiative Program (RAII). In 2005, the GOP and USG signed the Cooperating Nation Information Exchange System (CNIES) Agreement. This enables the USG and other cooperating nations to share intelligence concerning aerial drug trafficking. In 2007, the USG provided CNIES training for Air Force of Peru (FAP) personnel; assisted the FAP establish radar coverage in areas suspected of being aerial trafficking routes; and conducted RAI Joint training exercises with Brazil and Colombia. The FAP C-26s provide critical overhead real time coverage for eradication workers, eradication police, and army personnel in the field through the Forward Looking INFRARED Radar (FLIR) also used to map suspected clandestine runways in Peru.

The Road Ahead. The USG and GOP CN efforts will continue to focus on the core commitments to interdiction, eradication and alternative development, supported by USG aviation assets to reduce net coca cultivation and cocaine production substantially. This will be facilitated in the maritime transit zone by an agreement on operational procedures currently being reviewed by the GOP that will hopefully take effect in 2008. The GOP's 2007-11 CN strategy reflects this emphasis on control and interdiction of precursor chemicals, drug seizures, reduction in coca cultivation, enforcement of money-laundering laws, reduction of drug use and improvement of economic conditions to reduce dependency on coca cultivation.

As an integral part of the of the CN strategy, effective interdiction is dependent on the GOP's ability to put a sufficient number of trained police personnel into the coca-growing regions. The GOP will continue to strengthen CN police presence east of the Andes by training 3,200 new police cadets by early 2009, thereby helping improve security and stem drug flows at air and seaports. Basic and specialized courses will continue at the three PNP Basic Training Academies and a new canine training site will be constructed at two additional locations. Specialized US-based training, i.e. pilot, aircrew and maintenance training, will also be necessary to enhance the capacity of the PNP and further the nationalization of the aviation support program.

USG CN efforts also require the continuation of the Alternative Development Program, which directly supports the interdiction and eradication programs by providing options to coca cultivation and discouraging replanting, and sustaining eradication gains. The USG will work with NGOs, universities and the media to sustain an counternarcotics and education campaign and to expand presence and influence in coca-growing regions. Continued strong political will and the commitment of CN resources by the GOP are fundamental to their success.

V. Statistical Table

Coca	2007	2006	2005	2004	2003	2002	2001	2000	1999
Net Cultivation1 (ha)	TBD	37,000*	34,000	27,500	29,250	34,700	32,100	31,700	34,700
Eradication (ha)**	11,056.20	10,136.58	8,966.26	7,605.48	7,022.03	7,133.96	6,436.01	6,206.33	14,733.0
Leaf: Potential Harvest 3 (mt)***	TBD	50,000	56,300	48,800	42,600	48,800	44,800	44,900	43,500
HCl: Potential (mt)***	TBD	245	240	230	245	280	255		
Seizures									
Coca Leaf (mt)	1,824	14.6	11.3	7.6	11.5	7.1	6.4	9.0	14.7
Coca Paste (mt)	7.5	5.1	4.5	6.4	4.3	10.4	6.2	1.6	7.2
HCL (mt)	7.9	14.1****	11.7	7.3	3.5	4.1	2.9	2.8	4.2
Combined HCL&Base (mt)	15.4	19.2	16.2	13.7	7.8	14.5	7.1	4.4	11.4
Agua Rica 4 (ltrs) no registered data registered in Dirandro statistics	0	0	0	0	0	0	0	0	0
Arrest/Detentions	11,197	7,633	11,260	10,149	10,608	13,158	13,343	2,836	15,557
Labs Destroyed	650	724	1,126	821	964	238	72	97	51
Cocaine HCl	16	11	22	11	9	0	0	0	0
Base	627	713	1,104	810	955	238	72	97	51

* CNC 2006 Coca Estimate for Peru does not include the Cusco area.

** Hectares eradicated 2007 as of October 17th (missing info for one front)

*** New revised 2007 breakthrough figures

****Includes 6 mt F/V/ seizure

Uruguay

I. Summary

Uruguay is not a major narcotics producing or transit country. However, free trade zones afford relative anonymity for the movement of cargo, including illicit substances. The country's strategic position and its porous land border with Brazil further highlight its vulnerability to drug-trafficking. Another area of concern is increasing local consumption of the highly addictive, cheap cocaine-based product known as "pasta base". Efforts to upgrade port security and customs services advanced slowly in 2007, limiting inspection of containers at maritime ports and cargo shipments at the international airport. Uruguay is a party to the 1988 UN Drug Convention.

II. Status of Country

Uruguay is not a major narcotics producing or transit country, but it continues to be attractive to drug traffickers from Colombia, Bolivia, Paraguay, Brazil and Mexico as a transit point. Limited inspection of airport and port cargo makes Uruguay an attractive transit point for contraband, including chemical precursors to Paraguay and elsewhere. Although precursor chemical controls exist, they are difficult to monitor and enforce. This is due to the lack of Uruguayan Customs' ability to effectively monitor and inspect cargo traffic through border crossings and its tendency to focus more on contraband than precursor chemical shipments. Relatively weak controls at the port of Montevideo contrast with the enhanced container security initiatives at other ports in the region such as Santos, Brazil and Buenos Aires, Argentina. According to the Government of Uruguay (GOU), shipping containers transiting to or from other MERCOSUR countries are rarely inspected in Uruguay. Colombian and Bolivian traffickers have smuggled cocaine into Uruguay by flying directly into remote regions from Bolivia, using make-shift airstrips located on foreign-owned residential farms.

Uruguayan counternarcotics police units continue to target clandestine facilities used for processing, refining, and shipping Bolivian coca as well as distribution centers for local "pasta base." The local demand for inexpensive "pasta base," increased again in 2007, as did the incidents of crime related to this drug, according to the Uruguayan National Police's Counternarcotics Division (DGRTID). Additionally, in Uruguay, individual drug use is not viewed as a criminal offense. Rather, users are sent for rehabilitation in ever-increasing numbers, which has created an overcrowding problem in Uruguay's rehabilitation centers that the GOU is not yet equipped to deal with.

III. Country Actions Against Drugs in 2007

Policy Initiatives. In 2007, the GOU continued to make counternarcotics a policy priority. The National Drug Secretariat enhanced drug rehabilitation and treatment programs and continued demand reduction public awareness campaigns focused on minors and young adults through print media campaigns and telephone hotline advertisements warning against the use of drugs. Uruguay is an active member of the Southern Cone Working Group of the International Conference for Drug Control, and other international organizations fighting narcotics, corruption and crime.

Accomplishments. In 2007, the GOU seized 657 kilograms (kg) of cocaine in both national and international counternarcotics operations—an increase over the 418 kg seized in 2006. The GOU also seized 84 kg of "pasta base" in 2007, down slightly from 93 kg in 2006. There were no heroin seizures reported or cocaine labs destroyed in 2007. Additionally, the GOU made 1,923 drug-related arrests, which lead to 486 convictions and resulted in 13 imprisonments.

Law Enforcement Efforts. Of the GOU agencies with charters for narcotics-related law enforcement, DGRTID continued to be the most effective. Internal coordination between GOU agencies remained difficult because they report to different ministries, but coordination between DGRTID and their regional counterparts continued to result in successful counternarcotics operations.

Corruption. As a matter of policy, no senior GOU official or the GOU, encourages or facilitates the illicit production or distribution of narcotic or psychotropic drugs or other controlled substances, or the laundering of proceeds from illegal drug transactions. Transparency International rates Uruguay as one of the least corrupt countries in Latin America. The GOU Transparency Law of 1998 criminalizes various abuses of power by government authorities and requires high-ranking officials to comply with financial disclosure regulations. Public officials who do not act on knowledge of a drug-related crime may be charged with a “crime of omission” under the Citizen Security Law.

Agreements and Treaties. Uruguay is a party to the 1988 UN Drug Convention, the 1971 UN Convention on Psychotropic Substances; the 1961 UN Single Convention, as amended by the 1972 Protocol; the Inter-American Convention Against Corruption; the Inter-American Against Terrorism; the Inter-American Convention Against Trafficking in illegal Firearms; the UN Convention against Transnational Organized Crime and its protocols on Trafficking in Persons and Migrant Smuggling; and the UN Convention against Corruption. It is also a member of the OAS Inter-American Drug Abuse Control Commission (CICAD). The USG and Uruguay are parties to an extradition treaty that entered into force in 1984, a Mutual Legal Assistance Treaty that entered into force in 1994, and annual Letters of Agreement through which the USG funds counternarcotics and law enforcement programs. Uruguay has also signed drug-related bilateral agreements with Brazil, Paraguay, Bolivia, Chile, Mexico, Panama, Peru, Venezuela and Romania. Uruguay is a member of the regional financial action task force Grupo de Accion Financiera de Sudamerica (GAFISUD).

Cultivation/Production. Although small marijuana plots have been discovered in previous years, none were found in 2007. No other illegal drugs are produced in Uruguay.

Drug Flow/Transit. According to DEA, Uruguay is used as a drug-transit country. Narcotics are generally transported to Brazil for domestic consumption and onwards to the U.S. and Europe. Limited law enforcement presence along the Brazilian border and increased U.S. pressure on traffickers in Colombia, Bolivia and Peru is shifting some smuggling routes south, and drugs are moving through Uruguay by private vehicle, bus, and small airplanes. For example, during a large-scale DGRTID operation in 2007, they intercepted a large half-ton shipment of cocaine was intercepted, coming from Bolivia, via a small plane landing on an improvised airstrip in the province of Salto.

Demand Reduction. Uruguay’s demand reduction efforts focus on developing prevention programs, rehabilitation and treatment. These programs are based on a strategy developed cooperatively in 2001 between the National Drug Secretariat, public education authorities, various government ministries, municipalities and NGOs. In 2007, the National Drug Rehabilitation Center continued to train health care professionals, and sponsored teacher training, public outreach, and programs in community centers and clubs. The program, known locally as the “Portal Amarillo,” a drug rehabilitation clinic and hotline, continued services for both in-patient and out-patient drug users in northern Montevideo, targeting specifically “pasta base” addicts. Staffed by recent graduates of Uruguay’s largest nursing school, it services about 200 patients a week and has 21 beds. Uruguay continues to develop methods to track trends in drug use in youth populations, including secondary schools and prisons.

IV. U.S. Policy Initiatives and Programs

Bilateral Cooperation. U.S. strategy has been to prevent Uruguay from becoming a major narcotics transit or processing country. USG assistance to the GOU included support to demand reduction programs, narcotics interdiction operations and police training. The availability of International Military Education and Training (IMET) funds in FY 2007 permitted the USG to provide maritime law enforcement leadership and port security training to the Uruguayan Navy and Coast Guard.

The Road Ahead. Uruguayan law enforcement authorities continue to work well with their regional DEA counterparts based in Buenos Aires. In light of Uruguay's increasing consumption problem, and the evolving drug trafficking threat, the GOU should continue its narcotics interdiction operations, and maintain an effective demand reduction program that includes efforts to decrease the use of "pasta base."

Venezuela

I. Summary

Venezuela is a major drug-transit country with rampant high level corruption and a weak judicial system. Lack of international counternarcotics cooperation and a shift in trafficking patterns through Venezuela enable a growing illicit drug transshipment industry. Despite continued USG efforts to sign a mutually agreed upon addendum to the 1978 USG-Government of Venezuela (GOV) Bilateral Counternarcotics Memorandum of Understanding, Venezuela has refused to cooperate on most bilateral counternarcotics issues. Consequently, the President determined in 2007, as in 2006 and 2005, that Venezuela failed demonstrably to adhere to its obligations under international counternarcotics agreements. Venezuela is a party to the 1988 UN Drug Convention.

II. Status of Country

A permissive and corrupt environment in Venezuela, coupled with counternarcotics successes in Colombia, has made Venezuela one of the preferred routes for trafficking illicit narcotics out of Colombia. While the majority of narcotics transiting Venezuela continue to be destined for the U.S., a rapidly increasing percentage has started to flow towards western Africa and onwards to Europe. The movement of drugs has compounded Venezuela's corruption problem, and increased the level of crime and violence throughout the country.

III. Country Actions against Drugs in 2007

Policy Initiatives. The GOV announced plans for several programs in 2007, including a new counternarcotics task force under the National Anti-Drug Plan and a hotline to report drug crimes. Additionally, GOV National Counternarcotics Office (ONA) Director, Nestor Reverol, indicated that new radar purchased from China will be used to scan Venezuelan airspace for illegal drug transits. Because these initiatives all appear to be in the planning phase, it is difficult to assess their impact.

Since 2005, the GOV has refused nearly all counternarcotics cooperation with the USG, and has undermined USG efforts to collaborate with state and municipal governments. Initially, the GOV refused to sign a renewal of cooperation until both parties signed an addendum to the 1978 USG-GOV Bilateral Counternarcotics Memorandum of Understanding (MOU). While the USG did not agree that the addendum was essential to ensuring appropriate counternarcotics cooperation, the USG negotiated a mutually acceptable version in December of 2005.

Despite repeated assurances from senior GOV authorities and agreement on two signing dates, however, President Hugo Chavez has not yet authorized the signing of the addendum to the MOU. The senior GOV officials who negotiated the addendum eventually left their positions, and their successors have publicly stated that the GOV will neither sign a bilateral agreement nor cooperate with the USG on counternarcotics. One official, former Minister of Interior and Justice Pedro Carreño, repeatedly justified this position in 2007 by asserting publicly that the Drug Enforcement Administration (DEA) operates as a "new cartel." This lack of counternarcotics cooperation reflects the general chilling of bilateral relations over the past few years. Given the GOV's refusal to cooperate, the President determined in 2007, as in 2006 and 2005, that Venezuela failed demonstrably to adhere to its obligations under international counternarcotics agreements. The GOV did, however, formalize and expand counternarcotics cooperation with Germany, the Netherlands, and the UK.

Law Enforcement Efforts. Venezuelan police and prosecutors do not receive sufficient training or equipment to carry out counternarcotics investigations properly. Moreover, due to the lack of effective criminal prosecutions, politicization of investigations, and high-level corruption, the public has little faith in the judicial system. Within this environment, organized crime flourishes, while small seizures and arrests are limited to low-level actors.

Seizures of illicit drugs within Venezuela dropped substantially in 2007, while seizures of drugs coming out of Venezuela by other countries, including the U.S. and the United Kingdom, rose sharply. The increase in third country seizures, including some multi-ton seizures, comes despite the GOV's limited counternarcotics cooperation.

The GOV reported seizures of 28 metric tons (MTs) of cocaine in 2007, significantly less than claimed seizures in 2006 (38.9 MT) and 2005 (58.4 MT). Moreover, these figures include seizures made by other countries in international waters that were subsequently returned to Venezuela, the country of origin. Discounting these seizures, DEA Caracas estimates that GOV authorities seized between 8 and 12 MT of cocaine in 2007. Additionally, the GOV reported seizing 109 kilograms of heroin (a 50 percent reduction from 2005), 19 MT of marijuana and 19,000 Ecstasy tablets.

Precursor Chemical Control. In 2007, as in 2006, the GOV did not participate in Seis Fronteras, an annual USG-supported chemical control operation that normally includes Venezuela, Colombia, and other neighboring countries. GOV officials reported they are confident that the National Registry to Monitor Precursor Chemicals, established in 2006, captures the import and export of all lawful shipments of precursor chemicals. The Ministry, however, lacks personnel trained to recognize the possible diversion of precursor chemicals to illicit use, an automated system to track and identify irregularities, and the resources needed for regular and spot inspections.

Demand Reduction. Since 2005, Venezuelan law has required that companies with more than 200 workers donate one percent of their profits to the National Anti-Drug Office (ONA). ONA can then dispense the funds to demand reduction programs carried out by ONA-approved NGOs or run their own programs. This is a significant departure from how the program functioned under ONA's predecessor organization (the National Commission Against Illegal Drug Use, or CONACUID), when companies made donations directly to CONACUID-approved NGOs, instead of to CONACUID.

Two complications have hindered implementation of the 2005 law. First, ONA has been slow to certify the numerous NGOs involved in demand reduction. Several NGOs claim to have been denied ONA certification for being linked to opposition parties, while those NGOs receiving assistance from the USG find it particularly difficult to receive ONA certification. Second, legal challenges to the requirement that funds be donated directly to ONA have frozen the donation process. As a result, companies have postponed making donations, either to ONA or to NGOs, until the statutory requirement is clarified. Many NGOs have shut their doors due to lack of funding.

The GOV does not track statistics on drug abuse and treatment, with the exception of a 2005 ONA survey, which suggested that drug abuse among Venezuelan youth was decreasing. However, the accuracy of that survey is uncertain, and various NGOs report that, in fact, drug abuse may be on the rise.

Corruption. Public corruption continued to be an issue for Venezuela in 2007. Press reports suggest that Venezuelan security forces often facilitate or are themselves involved in drug trafficking, particularly the special counternarcotics units of the National Guard and the Federal Investigative Police. Security forces routinely take bribes in exchange for facilitating drug shipments, and seizures are most likely to occur when payoffs have not been made. Even when seizures occur, the drugs are not always turned over intact for disposal, and seized cocaine is sometimes returned to drug traffickers.

Agreements and Treaties. Venezuela is a party to the 1988 UN Drug Convention, the 1961 UN Single Convention as amended by the 1972 Protocol, and the 1971 UN Convention on Psychotropic Substances. Venezuela and the United States are parties to a Mutual Legal Assistance Treaty that entered into force in March 2004. Venezuela is party to the UN Convention against Transnational Organized Crime and its protocols against trafficking in persons and migrant smuggling, and has signed, but not yet ratified, the UN Convention against Corruption.

The GOV has also signed a number of bilateral agreements with the U.S., including a customs mutual assistance agreement and a 1991 ship-boarding agreement updated in 1997 that authorizing the USG to board suspect Venezuelan flagged vessels on the high seas. While a 1978 Memorandum of Understanding concerning cooperation in counternarcotics was signed, a necessary addendum to extend the agreement drafted in 2004 remains unsigned despite repeated USG requests.

Extradition and Mutual Legal Assistance. The U.S. and Venezuela are parties to an extradition treaty that entered into force in 1923. The 1999 Venezuelan constitution bars the extradition of its nationals. Non-Venezuelans can be extradited, but Venezuelan judges almost always attach conditions—such as unilateral attempts to restrict the term of years that an extradited defendant may serve in prison—that have the effect of precluding extradition. On occasion, Venezuelan authorities have deported non-Venezuelan criminals to a third country—usually Colombia—where they can be more easily extradited to the U.S.

Cultivation/Production. Illicit crop cultivation and drug production in Venezuela have not been significant historically. While some coca cultivation does occur along Venezuela's border with Colombia, particularly in the southern Amazonas State, the levels are most likely less than 250 to 350 hectares. Periodic GOV eradication operations are carried out, though none were officially reported in 2007.

Drug Flow/Transit. As Colombia's Air Bridge Denial program continues to successfully shut down transit routes out of western and southern Colombia, the 2,200-mile porous border with Venezuela has become more attractive to traffickers. Drug traffickers now routinely exploit a variety of routes and methods to move hundreds of tons of illegal drugs on the Pan-American Highway, the Orinoco River, the Guajira Peninsula, and dozens of clandestine airstrips. While the majority of illicit drugs transiting Venezuela are destined for the U.S., traffickers use Venezuela to stage the shipments of drugs to Europe. Venezuelan traffickers have been arrested in The Netherlands, Spain, Ghana, the Dominican Republic, Mexico and other countries.

The USG estimates that around 250 MTs of cocaine transit Venezuela annually via private aircraft using clandestine airstrips and maritime routes. The amount of cocaine moving through Venezuela by private aircraft has increased from 27 MTs in 2004 to approximately 150 MTs in 2007, representing about 60 percent of the transits, per the Joint Interagency Task Force-South. Traffickers also use maritime cargo containers, fishing vessels, and go-fast boats to move the narcotics to principal markets in the U.S. and Europe. Additionally, cocaine and to a lesser extent, heroin, continue to be routinely smuggled through Venezuela's commercial airports.

Illicit narcotics destined for the U.S. from Venezuela are shipped through the Dominican Republic, Haiti, Central America, Mexico, and other Caribbean countries. The narcotics destined for Europe are then shipped directly to several countries in Europe, especially Spain, or are shipped through the eastern coastal waters of Venezuela and the Caribbean to west Africa, notably Guinea and Guinea Bissau. Multi-kilogram shipments of cocaine and heroin are also mailed through express delivery services to the United States.

According to USG sources, Colombian guerrilla and paramilitary organizations, including two designated Foreign Terrorist Organizations (FTOs), the Revolutionary Armed Forces of Colombia

(FARC) and the National Liberation Army (ELN), are linked to the most aggressive and successful drug trafficking organizations in Venezuela. The FARC and ELN often cross into Venezuela to facilitate trafficking activities, for rest and relaxation, and to evade Colombian security forces, often with the collusion of some elements of the Venezuelan security forces.

IV. U.S. Policy Initiatives and Programs

Bilateral Cooperation. The GOV has minimized all counternarcotics related cooperation and contact with the USG. Despite repeated requests, the GOV has not signed an MOU addendum with the USG since 2005.

In 2007, the GOV ended the judicial sector's participation in several USG-funded United Nation's Office of Drugs and Crime (UNODC) programs, and indicated to the UNODC that the GOV would not participate in any programs receiving USG funds. While the USG continues to reach out to traditional counternarcotics contacts in the GOV, increasing support has been given to non-traditional partners, including NGOs involved in demand reduction, and regional and municipal government anticrime and counternarcotics programs.

The GOV has not made the USG-funded Container Inspection Facility (CIF) at Puerto Cabello operational. Completed in late 2006, the CIF was intended to provide a venue and equipment (forklifts, tools, and safety equipment) for Venezuelan authorities to unload and examine containers in a safe and protected environment. Now, despite the fact that the USG estimates 70 percent of narcotics from Colombia transit the Tachira-Puerto Cabello corridor, the facility remains unused. The Port Authority of Puerto Cabello threatened in late 2007 to take over the facility, although the GOV-approved project stipulated that it must be used for counternarcotics activities. The threat of a takeover by the Port Authority puts at risk one of the few remaining areas of bilateral cooperation.

A number of private Venezuelan companies are still enrolled in the U.S. Customs Service's Business Anti-Smuggling Coalition (BASC) program. This program seeks to deter smuggling, including narcotics, in commercial cargo shipments by enhancing private sector security programs. Despite initial progress, the difficult relations between the USG and the GOV have slowed the pace of this program in both the Valencia and Caracas BASC chapters.

Signs of progress do exist. The Venezuelan government still continues to authorize the USG to board Venezuelan flagged vessels on the high seas suspected of being engaged in narcotics trafficking. In one such incident in October 2007, the GOV permitted a joint U.S. Coast Guard—Royal Navy Group to board a drug-laden Venezuelan-registered vessel in international waters after some delay. Also in October, at the presentation of the new U.S. Ambassador's credentials, President Chavez indicated that Venezuela and the U.S. should look for areas to renew cooperation and cited counternarcotics as one such area.

The Road Ahead. In 2008, the USG remains prepared to renew cooperation with Venezuelan counterparts to fight the increasing flow of illegal drugs. One clear step for the GOV to make would be to conclude signing the outstanding MOU addendum, which would free up funds for joint counternarcotics projects. Another would be to start stemming the rise in drug transits from Colombia by working with the USG to retain and make operational the Container Inspection Facility (CIF) at Puerto Cabello. Once these first steps are taken, the USG and GOV can begin restarting other stalled projects, including the development of a drug intelligence fusion and analysis center and the initiation of riverine interdiction operations on the Orinoco River. These steps would help to dismantle the growing organized criminal networks, and aid in the prosecution of criminals engaged in trafficking.

CANADA, MEXICO AND CENTRAL AMERICA

Belize

I. Summary

Belize is part of the drug trans-shipment corridor to the United States. The Government of Belize (GOB) collaborated with United States on joint counter narcotics operations and investigations in 2007 and on the apprehension and return of U.S. fugitives wanted in the United States. Belize is party to the 1988 UN Drug Convention.

II. Status of Country

Belize's geography makes it part of the trans-shipment corridor for illicit drugs between Colombia and Mexico and the U.S. Its borders with Guatemala and Mexico, unpopulated jungles, navigable inland waterways, and unprotected coastline with hundreds of small keys and islands make it vulnerable to trafficking, while limited infrastructure and a small population hamper authorities' ability to counter the threat. The Belize Police Department (BPD), the Belize Defence Force (BDF), the International Airport Security Division, and the Belize National Coast Guard (BNCG) participate in counternarcotics efforts. Ineffective anti-money laundering legislation and weak enforcement of laws regulating offshore financial interests contributed to an increase in money laundering incidents. To date there have been no arrests and/or prosecutions in Belize for any money laundering offenses.

III. Country Actions Against Drugs in 2007

Policy Initiatives. In 2007, the GOB submitted legislation requesting wider authority relative to intelligence collection and electronic intercepts as well a draft for a Chemical Precursors Control Act.

Law Enforcement Efforts. In 2007 the Belize Police Department (BPD), Belize Defense Force (BDF) and Belize National Coast Guard (BNCG) conducted several counternarcotics operations with USG assistance. The BPD and BDF continue joint border patrols in order to monitor illegal entry points into Belize that are also used as routes for smuggling cocaine and marijuana over land. The BDF formed a maritime unit that will be responsible for patrolling Belize' inland waterways and the BNCG continued patrolling the coastline and islands. The Belize National Forensic Science Services (NFSS) laboratory increased its technical capacity through training provided by the USG.

Seizures in 2007 include: 32.7 kilograms (kg) of cocaine, 486.2 kg of marijuana, 27,873 Marijuana plants and minor quantities of other drugs. Three thousand U.S. dollars was seized, and law enforcement made 1,167 arrests in drug cases. It is difficult to obtain convictions on drug crimes because the Public Prosecutions office lacks staff, resources and training.

Corruption. As a matter of policy, neither the GOB nor any senior official in the government encourages or facilitates the illicit production or distribution of narcotic or psychotropic drugs or other controlled substances, or the laundering of proceeds from illegal drug transactions. However corruption exists, sometimes on a grand scale. In February 2007, Belize's former Ambassador to Central America, traveling on his fourteenth trip to Panama in four months (under a no longer valid diplomatic passport) was arrested and accused of bribing customs officials in Panama. Approximately \$1 million was found in his suitcase. To date there has been no official response from the GOB nor has final adjudication of the case been reported.

In June 2001, the GOB signed the OAS Inter-American Convention against Corruption. It also supported the revival of the Committee on Public Probity and Ethics to review implementation of

the convention. However Belize is not a party to the UN Convention against Corruption. No laws specifically cover narcotics-related public corruption. Although corruption in general is covered under the 1994 Prevention of Corruption in Public Life Act, the GOB takes limited legal and law enforcement measures to prevent and punish public corruption. The Act's Integrity Commission, which has powers to investigate corruption and impose civil penalties, has sanctioned no government officials despite many allegations. To date no government officials have been punished under the Act. There is no direct evidence of narcotics-related corruption within the government, but other kinds of corruption are suspected in several areas of the government and at all levels. In 2007 there were several high profile cases of conflict of interest or suspected or confirmed corruption in high levels of the government.

Agreements and Treaties. Belize has been a party to the 1988 UN Drug Convention since 1996. Belize is one of three countries that have ratified the Caribbean Regional Agreement on Maritime Counter Narcotics. In September 1997, the GOB signed the National Crime Information Center Pilot Project Assessment Agreement (data- and information-sharing). Bilateral agreements between the U.S. and Belize include a protocol to the Maritime Agreement that entered into force in April 2000, a bilateral Extradition Treaty that entered into force in March 2001, and the Inter-American Convention on Serving Criminal Sentences Abroad that entered into force in 2005. The U.S.—Belize Mutual Legal Assistance Treaty (MLAT) entered into force in 2003, but was not implemented by the GOB until 2005. While assistance in the capture and repatriation of U.S. fugitives is excellent (13 fugitives deported in 2007, response to other U.S. requests for assistance has been slow, and a 2005 U.S. request for clarification of the standard of review in the extradition treaty remains pending. Belize is a party to the UN Convention against Transnational Organized Crime and its Trafficking in Persons protocol. In 2005, Belize joined other Central American countries participating in the Cooperating Nations Information Exchange System (CNIES), which assists in locating, identifying, tracking and intercepting civil aircraft in Belize's airspace.

Cultivation/Production. A small amount of locally consumed marijuana is cultivated in small, scattered plots in Belize. There is no evidence of trafficking in precursor chemicals in Belize, nor are there industries in Belize requiring the import of precursor chemicals.

Drug Flow/Transit and Distribution. Cocaine is trans-shipped through Belize's territorial waters for onward shipment to the U.S. The primary means for smuggling drugs are "go-fast" boats transiting Belize's lengthy coastline and reef system, transshipment along navigable inland waterways and remote border crossings. BPD reports that in 2007 there is an increase of arrests/seizures of marijuana imported from Guatemala. Interdiction is hampered by the lack of adequate host nation resources and lax customs enforcement.

Domestic Program/Demand Reduction. The National Drug Abuse Control Council (NDACC) coordinates GOB's demand reduction efforts through education, counseling, rehabilitation, outreach, and a public commercial campaign. In 2007 the U.S. provided additional support for the United Nations Office against Drugs and Crime (UNODC) assessment of treatment, rehabilitation and social integration facilities for drug abusers in Belize. Through the Organization of American States' Inter-American Drug Abuse Control Commission (CICAD), the U.S. also supported school-based substance abuse prevention and life skills education.

IV. U.S. Policy Initiatives and Programs

Bilateral Cooperation. In 2007, the U.S. continued to assist the GOB in developing a sustainable infrastructure to combat drug trafficking and to work with them on investigations of drug trafficking. The USG provided support to the Belizean Forensic Laboratory to improve investigations and prosecution of crimes; programs for at-risk school youth and prison drug rehabilitation; and maritime security and law enforcement. The USG also provided maritime law

enforcement training to the BNCG, including courses in search and rescue, engineering and logistics, port security, small boat operations, and professional development training. Belize has a cadet attending the U.S. Coast Guard Academy as a member of the class of 2010. The USG continues to provide technical assistance for developing and implementing an appropriate legislative framework to provide the BNCG with clear authorities to interdict drugs.

The Road Ahead. The GOB needs to pass and implement pending legislation requesting wider authority relative to intelligence collection and electronic intercepts and a Chemical Precursors Control Act. Belize needs to adequately fund and train prosecutors in the Public Prosecutors office to reach convictions in narcotics cases.

The USG will assist the GOB to improve its maritime interdiction capabilities through training, the construction of a BNCG forward operating base in the offshore islands and donation of equipment and boats through Enduring Friendship.

Canada

I. Summary

Canada has an active strategy to combat illicit drug use, production and distribution, and in October 2007 launched a revised National Anti-Drug Strategy, which combines treatment and prevention with proposed tougher enforcement measures for producers and traffickers. Laws passed in the United States and Canada in recent years; including Canada's implementation of the Precursor Control Amendments to the Controlled Drugs and Substances Act in 2006 have had a significant impact on the availability of precursor chemicals in Canada. U.S.-Canadian law enforcement teams have worked closely together to disrupt drug smuggling operations, however, trafficking of marijuana and ecstasy (MDMA) continue at high levels. Canada is identified as a country of concern based on the extensive sourcing of MDMA and marijuana to the United States. Canada-United States counternarcotics co-operation is extensive and productive, but more effective Canadian action is necessary to meet ongoing enforcement objectives. Canada is party to the 1988 UN Drug Convention, and a member of the UN Commission on Narcotic Drugs.

II. Status of Country

While Canada is primarily a drug consuming country, it is also a significant producer of high-quality marijuana and a source country for MDMA. Additionally it serves as a transit or diversion point for precursor chemicals and over-the-counter pharmaceuticals used to produce illicit synthetic drugs (notably MDMA). Commercial marijuana cultivation thrives in Canada in part because growers previously did not face strict legal punishment. The marijuana industry is becoming increasingly sophisticated, and MDMA production has reached unprecedented levels of capacity.

III. Country Actions Against Drugs in 2007

Policy Initiatives. In October, 2007 the Canadian government announced a revised new National Anti-Drug Strategy, which provides an additional \$59 million over two years for treatment, a focused public awareness campaign targeted at youth, and enhanced enforcement. The new Strategy builds on and refocuses existing programs currently supported by \$358 million in annual funding. Of the new money, \$20 million is for hiring more police and prosecutors for counternarcotics teams involved in identifying and closing down grow operations and drug manufacturing sites, and enhancing the capabilities of the Canadian Border Services Agency (CBSA) to stop drugs at the border. It will also enhance the "proceeds of crime" program, which enables the seizure of funds and assets acquired through the sale of illicit drugs. Stronger enforcement is balanced with programs for drug addicts, which are discussed in the Domestic Program section of this report. The Canadian government has also introduced complementary legislation that proposes mandatory minimum prison sentences for individuals convicted of serious drug offences, including marijuana growers and producers and dealers of crystal methamphetamine and crack cocaine. The bill would set mandatory minimum terms ranging from six-months for growing one marijuana plant to two years for dealing cocaine, heroin, or methamphetamine to young people or for running a marijuana growing operation of at least 500 plants. The bill would double the maximum prison term for cannabis production from seven to fourteen years. In October 2007, the Government also introduced legislation to give police better tools to detect and investigate drug and alcohol impaired driving and to increase penalties for this offense.

Law Enforcement Efforts. In 2007, coordinated efforts between Canadian and United States law enforcement agencies resulted in significant interdictions of drugs arriving in Canada and the United States by air, passenger vehicle, truck, small aircraft, and ship, as well as seizures from

Canadian drug growing operations. Drugs seized include marijuana, cocaine, heroin, methamphetamine, hashish and MDMA. Some examples include a January operation where CBSA seized 100 kgs of cocaine from a tractor-trailer entering Canada from the United States; an April operation at Toronto Ontario's Pearson International Airport, where the CBSA and the RCMP seized 100 kgs of drugs worth more than \$9.2 million, one of the largest drug seizures ever at the facility; and in May, when the RCMP seized 75,000 doses of heroin worth approximately \$21.1 million at Pearson Airport and in Scarborough, a suburb of Toronto. Southeast Asia has been a more typical point of origin for smuggled heroin, raising suspicions among Canadian law enforcement officials that Colombian drug syndicates have formed an alliance with Asian crime groups to distribute heroin in Toronto.

In July, the Toronto Airport Drug Enforcement Unit broke up a cross-border smuggling ring at Pearson Airport in Ontario. Department of Homeland Security Immigration and Customs Enforcement (DHS/ICE) and the Drug Enforcement Administration (DEA) were partners in the investigation, which netted approximately 39 kgs of MDMA tablets destined for the United States, as well as 3 kgs of cocaine and 3.6 kgs of marijuana for local distribution. Also in July, cooperation between DEA, Chicago Police, and the Toronto Police Service led to the successful dismantling of a large narcotics smuggling organization that netted more than 454 kgs of marijuana with a wholesale value of over \$4 million, 38.6 kgs of cocaine, and \$350,000 in cash, and resulted in four arrests.

In addition, there have also been a number of cases of chemical trafficking. In April, the State of Maine's Drug Enforcement Agency arrested seven drug traffickers in Aroostock County for trafficking methamphetamine tablets produced in Canada.

The overall trend for 2007 law enforcement efforts was consistent with the previous two years of reasonably effective joint drug enforcement efforts against steady and diverse patterns of traffickers.

Corruption. Canada has strong anti-corruption controls in place and holds its officials and law enforcement personnel to a high standard of conduct. Civil servants found to be engaged in malfeasance of any kind are removed from office and are subject to prosecution. Investigations into accusations of wrongdoing and corruption by civil servants are thorough and credible. No senior government officials are known to engage in, encourage, or facilitate the illicit production or distribution of narcotic or psychotropic drugs or other controlled substances, or the laundering of proceeds from illegal drug transactions. As a matter of government policy, Canada neither encourages nor facilitates illicit production or distribution of narcotic or psychotropic drugs or other controlled substances, or the laundering of proceeds from illegal drug transactions.

Agreements and Treaties. Canada is party to the 1988 UN Drug Convention, the 1971 UN Convention on Psychotropic Substances, and the 1961 UN Single Convention as amended by the 1972 Protocol. Canada is a party to the UN Corruption Convention and to the UN Convention Against Transnational Organized Crime and its protocols against migrant smuggling and trafficking in persons. Canada is also a party to the Inter-American Convention on Mutual Legal Assistance in Criminal Matters; the Inter-American Convention Against the Illicit Manufacturing of and Trafficking in Firearms, Ammunition, Explosives and Other Related Materials; and the Inter-American Convention Against Corruption. Canada actively cooperates with international partners. The U.S. and Canada exchange forfeited assets through a bilateral asset sharing agreement, and exchange information to prevent, investigate, and repress any offense against U.S. or Canadian customs laws through a Customs Mutual Assistance Agreement. Canada has in force 50 bilateral mutual legal assistance treaties and 66 extradition treaties. Judicial assistance and extradition matters between the U.S. and Canada are made through a mutual legal assistance treaty (MLAT), an extradition treaty and protocols.

Cultivation/Production. Although much of the marijuana produced in Canada is intended for domestic markets, and generates enormous profits for organized crime, cross-border smuggling remains a concern. Commercial marijuana cultivation thrives in Canada in part because growers previously did not face strict legal punishment. Ethnic Chinese and Vietnamese organized-crime organizations use technologically-advanced organic growing methods. Large-scale marijuana grow operations are primarily located in British Columbia, Ontario and Quebec. The Ontario Association of Chiefs of Police estimates that 85 percent of marijuana growing operations in Ontario are linked to organized crime. According to RCMP seizure data, 1,749,057 marijuana plants were seized in 2006. 2007 seizure data will not be available until August 2008. The RCMP reports the involvement of ethnic Chinese and Vietnamese organized-crime organizations in technologically-advanced organic grow methods that produce marijuana with elevated delta-9-tetrahydrocannabinol (THC) levels. The marijuana industry in Canada is becoming increasingly sophisticated, with organized crime groups relying on marijuana sales as a primary source of income and “reinvesting” the profits to finance other illicit activities. The RCMP reports that Canadian marijuana is trafficked to the United States and exchanged for currency, firearms, and cocaine. The strong presence of Indo-Canadian criminal groups in the Canadian trucking industry has resulted in reported cases of their involvement in such cross-border polydrug shipments.

The interest of organized crime in the methamphetamine trade has grown significantly since 2003. Canadian crime groups have exploited the addictive properties of methamphetamine as a means to market other synthetic substances, for example, adding methamphetamine as a secondary ingredient in MDMA tablets produced in domestic clandestine laboratories, thus reinforcing the need for effective enforcement. Canada has emerged as the primary source of supply of MDMA to both the domestic and United States markets, and to a lesser extent, to Asia. MDMA production has reached unprecedented levels of sophistication and capacity. British Columbia and Ontario continue to have the highest concentration of MDMA laboratories. Although the number of laboratories dismantled overall has declined slightly, the trend to super labs (defined as labs which produce over 5 kgs of finished product in one cycle) is clear. All of the MDMA laboratories dismantled in Canada in 2006 were super labs, some of them of factory-level capacity. Unlike in the United States, registration of pill presses is not required in Canada. However, Canada has noted the potential benefits of monitoring lab equipment in international fora, including a G-8 working group.

Laws and regulatory changes enacted in Canada and in the United States since 2003 have had a significant impact on the availability of precursor chemicals in Canada, effectively moving production of methamphetamine to Mexico, and South and Central America. However, methamphetamine production in super labs (5 kg or more per cycle) in Canada is increasing. Although the methamphetamine produced in Canada is primarily for domestic use, with some export to Asia, Canadian producers may export to the U.S. depending on regional supply and demand conditions.

Drug Flow/Transit. The 2007 Annual Report on Organized Crime in Canada prepared by Criminal Intelligence Service Canada indicates that there are approximately 950 organized crime groups in Canada, up from an estimated 800 in 2006, of which approximately 80 percent are involved in the illegal drug trade in some capacity. Of these, Asian crime groups, in particular Vietnamese and Indo-Canadian organizations, are the largest drug traffickers. Asian drug trafficking organizations based in Canada have experimented with new methods to evade law enforcement and expand their businesses, including the increasing use of eastern ports of entry along the Canadian border for marijuana smuggling and the establishment of indoor grow operations on the U.S. side of the border, especially in the Pacific Northwest and California.

Domestic Programs. Canada has embarked on a number of harm-reduction programs at the federal and local levels. In 2006, Health Canada had announced that no new government-sponsored

injection sites would be opened until additional research is completed on the single existing site in Vancouver. The Vancouver site has been in operation since 2003. On October 2, 2007, the Government of Canada extended the site's operating permit until June 30, 2008, to allow research to continue on how supervised injection sites affect prevention, treatment and crime. Several cities have also approved programs to distribute drug paraphernalia, including crack pipes, to chronic users. Delivery of demand reduction, education, treatment and rehabilitation is primarily the responsibility of the provincial and territorial governments and Health Canada provides funding for these services.

Canada's new Anti-Drug Strategy includes a new national awareness campaign targeted at youth and their parents with a strong message discouraging drug use. There is new funding for the modernization of current treatment services and for developing new treatment options and improving their availability and effectiveness, more money for the provinces and territories to expand treatment programs for addicted youth, and new funding for a National Youth Intervention Program to enable police to enroll young drug users more quickly into assessment and treatment programs instead of detention. In June, the Ontario government announced the province would allocate \$1.7 million to fight the production, trafficking, and use of crystal methamphetamine

IV. U.S. Policy Initiatives and Programs

Bilateral Cooperation. Through successful bi-national fora such as the Cross-Border Crime Forum (CBCF) and Project North Star, the United States and Canada have increased information sharing and joint training opportunities for federal law enforcement officials. Provincial and state governments also participate in the CBCF, as do police at the federal, state/provincial, and local levels. CBCF working groups meet throughout the year to develop joint strategies and initiatives including bi-national threat assessments and collaborative operations. U.S. and Canadian officials are also preparing the first-ever joint narcotics assessment under the auspices of the CBCF which will be released at the Spring Ministerial in 2008 as a baseline of cross-border narcotics issues and trends. Canada also regularly attends the annual National Methamphetamine Chemical Initiative (NMCI) meeting in the United States to facilitate communication and information-sharing.

Investigative cooperation continues to strengthen through the collaborative efforts of U.S. and Canadian border enforcement agencies. The implementation of the ICE-led Border Enforcement Security Task Force (BESTs) pilot program will greatly facilitate and enhance cross-border enforcement efforts at selected ports of entries along the border. BESTs will align with and serve a complimentary role to the existing Integrated Border Enforcement Teams (IBETs) by enabling comprehensive border enforcement, not only between the ports of entry (IBET), but at the ports of entry (BESTs) as well. Both programs are geared towards ensuring that criminals cannot exploit the international border to evade justice. IBETs currently operate in fifteen geographic regions along or near the U.S.-Canada border, working in an integrated land, air, and marine environment. DEA has also participated in numerous cross-border forums and seminars in 2007 at senior management levels. In May, DEA hosted the first Northern Border Drug Conference to discuss operational issues and best practices. In August, DEA hosted two RCMP Liaison Officers at its Regional Meeting and Money Laundering Conference in Costa Rica to promote the development of transnational money laundering cases. DHS/ICE continues to meet with RCMP officials, formally and informally, in furtherance of U.S. and Canadian efforts to identify, disrupt and prosecute money-laundering operations, particularly in the area of bulk currency smuggling. Canada also expanded cooperative efforts with the United States against illicit trafficking in the transit zone from South America to North America by deploying Maritime Patrol Assets in support of Joint Interagency Task Force South. U.S Customs and Border Protection (CBP) and Canada Border Security Agency (CBSA) meet between two and four times a year as the Shared Border Accord Cooperating Committee to discuss programs and initiatives of mutual concern. Additionally, CBP

and CBSA work together through the Embassy Attachés and Country Team Managers at the Headquarters level to ensure cooperation and facilitation of mutual programs and initiatives.

In June, the Government of Canada published a proposed regulatory change to exempt foreign law enforcement and other officers from the requirement to obtain permits under the Export and Import Permits Act for their firearms and other “duty weapons” when entering and exiting Canada in the course of their duties. The Government expects to approve the regulation by the end of 2007, to be followed by negotiations with interested countries on implementation of the new rules. If successfully adopted, the change would reduce a significant regulatory impediment to cross-border law-enforcement cooperation.

Road Ahead. In 2008, the United States and Canada will continue to pursue joint operations against drug-trafficking organizations. The USG will look to Canada for cooperation in monitoring and tracking precursor chemical activity, interception of suspicious shipments, and addressing the rise in MDMA and methamphetamine production there. The U.S. and Canada will continue to look for ways to improve their regulatory and enforcement capacity, as well as to encourage industry compliance, to prevent diversion of precursor chemicals and lab equipment for criminal use. With much of the legal framework already in place, Canada should focus on improving the effectiveness of its inspectorate regime. Canada should also continue its efforts to identify, disrupt and prosecute money-laundering operations. U.S. and Canadian officials should explore ways to enhance cooperation in the wake of Canada’s new drug control strategy and emerging legislation, such as through the CBCF, which has proven to be an excellent vehicle for addressing these issues. For example, under the umbrella of the CBCF Border Enforcement Subgroup, the U.S. and Canada are close to an agreement on the Integrated Marine Security Operations (IMSO) program, also referred to as “Shiprider,” which would facilitate more effective maritime countermuggling efforts by cross-designating officers to operate from the vessels or aircraft of the other country; thereby, permitting a single vessel to patrol both Canadian and U.S. waters and pursue suspect vessels, closing a loophole in cross-border detection. The USG is expanding on USG-granted blanket diplomatic clearance for Canadian law enforcement officers to carry their weapons while transiting in out of U.S. waters on the Great Lakes aboard Canadian government vessels, and is seeking reciprocal treatment for U.S. federal maritime law enforcement officers to carry weapons while transiting in and out of Canadian waters. The U.S. further encourages Canada to take steps to improve its ability to expedite investigations and prosecutions. Strengthening judicial deterrents, such as increased penalties for drug use in Canada would be extremely useful in curbing the expansion of criminal organizations in Canada.

The success of the BEST program along the Southwest Border has made it ideal for replication along the Northern Border. In an effort to expand the BEST concept to the Northern Border, two locations have been identified for BEST Taskforces: Blaine, Washington, and Buffalo, New York, where current IBET locations have been established.

The U.S. supports Canada’s initiatives to increase the availability of science-based treatment programs to reduce drug use, as opposed to measures, which facilitate drug abuse in the hopes of reducing some of its harmful consequences. In order to support cooperative efforts, the United States has formally accepted Canada’s proposal for a new annual bilateral drug policy forum. This idea, first suggested by Canadian officials during a bilateral meeting at the 2007 Commission on Narcotics Drugs in Vienna, will help facilitate cooperation through the regular exchange of information, experiences and best practices.

Costa Rica

I. Summary

Costa Rica is an increasingly important transit point for narcotics destined for the United States and Europe. Drug seizures quadrupled during the second year of the Arias administration. Local consumption of illicit narcotics, particularly crack and cocaine, is growing at an alarming rate, along with the dramatic rise in drug related violent crimes. In 2007, the Costa Rican Counter Narcotics Institute (ICD) notably improved its coordination efforts in the areas of intelligence, demand reduction, asset seizure, and precursor chemical licensing. Costa Rica is a party to the 1988 UN Drug Convention.

II. Status of Country

Costa Rica's position on the isthmus linking Colombia with the United States, its long Atlantic and Pacific coastlines, and its jurisdiction over the Cocos Islands make it vulnerable to drug transshipment for South American cocaine and heroin destined primarily for the United States. The Government of Costa Rica (GOCR) closely and effectively cooperates with the USG in combating narcotics trafficked by land, sea, and air. Costa Rica also has a stringent governmental licensing process for the importation and distribution of controlled precursor chemicals.

III. Country Actions Against Drugs in 2007

Policy Initiatives. The Ministry of Public Security named a new Coast Guard Commander in 2007. The new leadership has aggressively addressed the serious deficiencies that have plagued the readiness of the Costa Rican Coast Guard (SNGC) through surveys prioritizing the most pressing needs, improving discipline and pride in service, repair primary interception vessels, moving assets to intercept Pacific based traffickers and addressing electronic communications problems.

Accomplishments. Close bilateral cooperation and improved intra-GOCR coordination yielded impressive counternarcotics successes in 2007. Costa Rican authorities seized a record 27 metric tons (MT) of cocaine, of which 13 MT were seized on land or air and 14 MT seized in joint maritime interdiction operations with U.S. law enforcement. The GOCR also seized 119,687 doses of crack cocaine, 17.6 kilograms (kg) of heroin, eradicated over 2.3 million marijuana plants and seized 4.5 tons of processed marijuana. Additionally, Costa Rican authorities seized 19,003 Ecstasy tablets (six times more than in 2006), 3.8 million pseudoephedrine tablets, and confiscated over \$7.7 million in U.S. and local currency (more than twice as much as 2006), as well as 7.4 million Euros. The 22,727 drug-related arrests made in 2007 are more than four times the amount made two years ago under the previous administration.

While no methamphetamine laboratories were detected in 2007, the GOCR has been active in trying to verify the identity of chemical precursor importers to ensure legitimacy. In at least one case, they cancelled a shipment of chemical precursors due to the non-existence of the importing company.

Law Enforcement Efforts. Costa Rican counternarcotics efforts are carried out by both the judicial branch (Judicial Investigative Police-OIJ) and the executive (Ministry of Public Security's Drug Control Police—PCD). The interagency Mobile Enforcement Team (MET) that include canine units, drug control police, customs police, and specialized vehicles, coordinated 24 cross-border operations with authorities in Nicaragua and Panama in 2007, meeting its goal of two deployments per month. The GOCR added nearly 1000 new police officers to its force in 2007, and plans to increase the police force by 3,000 additional officers over the next three years (for a total

of 4000 new officers since the policy was announced in 2006). Terrorist financing and reformed money laundering legislation are under consideration in the Assembly, and are expected to pass in early 2008.

Corruption. As a matter of policy, no senior GOCR official or the GOCR, encourages or facilitates the illicit production or distribution of narcotic or psychotropic drugs or other controlled substances, or the laundering of proceeds from illegal drug transactions. A strict law against illicit enrichment was enacted in 2006 in response to unprecedented corruption scandals involving three ex-presidents. Although the ex-presidents' cases from 2004 have still not yet gone to trial, Costa Rica authorities appear to remain committed to combat public corruption. The GOCR aggressively investigates allegations of official corruption or abuse.

Agreements and Treaties. Costa Rica is a party to the 1988 UN Drug Convention, the 1961 Single Convention as amended by its 1972 Protocol, and the 1971 Convention on Psychotropic Substances. Costa Rica is also a party to the UN Convention against Transnational Organized Crime and its three protocols, the UN Convention against Corruption, the Inter-American Convention against Corruption, the Inter-American Convention on Extradition, the Inter-American Convention on Mutual Assistance in Criminal Matters, the Inter-American Convention against Terrorism, and the Inter-American Convention against Trafficking in Illegal Firearms. The 1998 bilateral Maritime Counter drug Cooperation Agreement, and its Ship-Rider program resulted in record seizures at sea during 2007. The 1991 United States-Costa Rican extradition treaty was again actively used in 2007. Costa Rica ratified a bilateral stolen vehicles treaty in 2002. . Costa Rica and the United States are also parties to bilateral drug information and intelligence sharing agreements dating from 1975 and 1976. Costa Rica is a member of the Caribbean Financial Action Task Force and the Egmont Group, but must pass a terrorist financing law before May 2008 to remain in the Egmont Group. It is a member of the Inter-American Drug Abuse Control Commission of the Organization of American States (OAS/CICAD). Costa Rica signed the Caribbean regional maritime counter narcotics agreement in April 2003, and is currently taking the final internal steps necessary to bring the agreement into force.

Cultivation/Production. Costa Rica produces low quality marijuana but no other illicit drug crops or synthetic drugs.

Drug Flow/Transit. In 2007, smaller land-based shipments of 50-500 kg of cocaine continued, along with a 400 percent increase of larger shipments (500-1000 kg). Trafficking of narcotics by maritime routes remained steady with nearly 14 MT (the same amount as last year) of cocaine seized at sea during joint GOCR-USG operations. Traffickers continue to use Costa Rican-flagged fishing boats to smuggle multi-ton shipments of drugs and to provide fuel for other go-fast boats, with an increasing emphasis on the Pacific routes. Traffickers also have increased smuggling of drugs through the postal system. Costa Rican authorities\ captured more than 125 kilos of cocaine that had been put in the mail, almost tripling the amount detected in 2006.

Domestic Programs/Demand Reduction. The Prevention Unit of the Instituto Costarricense Sobre Drogas (ICD) oversees drug prevention efforts and educational programs throughout the country. The ICD and the Ministry of Education continued to distribute updated demand-reduction materials to all school children in 2007. The MET team visited local schools during deployments, using its canines and specialized vehicles as effective emissaries for demand-reduction messages. In 2007, PCD publicized its special phone-in number (176) in their demand-reduction materials, to encourage citizens to report drug-related activity in their neighborhoods while remaining safely anonymous. As of November 2007, almost 8,000 calls had been received. The PCD considers the 176 phone-in program to be an excellent source of information that is analyzed and often leads to arrests.

IV. U.S. Policy Initiatives and Programs

Bilateral Cooperation. While land-based interdiction, especially border checkpoints, remains important to U.S. strategy, U.S. assistance has focused resources on interdicting maritime-based narcotics shipments. The U.S. supported the SNGC's reorganization and efforts to improve interdiction by providing technical assistance and equipment. The U.S. is also supporting reforms in police training.

The Road Ahead. In the year ahead, Costa Rica intends to attack maritime trafficking both through its own direct efforts and through continued collaboration with the USG. The GOCR also plans to deploy its MET interdiction team twice a month to address land-based interdiction, especially at border inspection points. The projected increase in number and improved training of police will enable the GOCR to more successfully fight crime, including trafficking.

El Salvador

I. Summary

El Salvador is a transit country for cocaine and heroin smuggled from South America by land and sea to the United States via Mexico. In 2007, the National Police (PNC) seized 261 kilograms (kg) of marijuana and over 4 metric tons (MT) of cocaine. While El Salvador is not a major financial center, in 2007 the government seized \$1,437,448 worth of assets stemming from drug-related crime. El Salvador is party to the 1988 UN Drug Convention.

II. Status of Country

El Salvador's territorial waters include eastern Pacific smuggling routes for cocaine and heroin; the country also serves as a transit point for narcotics moving over land towards Mexico and the United States. El Salvador hosts a Cooperative Security Location crucial to regional detection and interception efforts. Transnational street gangs are not major narcotics trafficking organizations, per se, but are involved in street level drug sales. Neither production/transit of precursor chemicals nor illicit trading in bulk ephedrine and pseudoephedrine are significant problems. However investigations by El Salvador authorities suggest that some diversion of these substances has been attempted.

III. Country Actions Against Drugs in 2007

Policy Initiatives. In 2007 the government of El Salvador (GOES) targeted maritime trafficking along its coastline and overland transit routes, as well as narcotics-related money laundering operations. The Financial Investigative Unit (FIU) of the Attorney General's office monitored suspicious financial activity and investigated suspected instances of money laundering and associated financial crime resulting in the seizure of assets valued at \$1.4 million.

The GOES also fielded a special organized crime unit featuring embedded prosecutors and police investigators, and also undertook cooperative police and judicial actions to increase cooperation between prosecutors and the police.

The Anti-Narcotics Division (DAN) of the National Civilian Police (PNC) focused on overland transportation, commercial air, package delivery services, and maritime transportation in the Gulf of Fonseca resulting in seizure of 4 MT of cocaine. DAN, while competent and proactive, is, nonetheless, hampered by funding shortfalls and legal impediments against wiretapping.

The new Transnational Anti-gang Unit (TAG) was inaugurated in 2007, and received USG equipment and Federal law enforcement technical assistance. It will focus on street-level narcotics distribution and related violence and will investigate gang activity and orchestrate bilateral law enforcement activities.

Law Enforcement Efforts. In 2007, GOES law enforcement focused on targets of mutual interest to both the United States and El Salvador. Salvadoran police investigators and prosecutors shared law enforcement intelligence and coordinated operations with USG counterparts resulting in successful operations. For instance, Salvadoran customs and law enforcement entities stationed at El Amatillo border crossing with Honduras used the USG-supported Containerized Freight Tracking System (CFTS) to inspect commercial and passenger vehicles, inspecting 10,714 commercial freight trucks, 13,601 passenger buses, and 11,705 passenger vehicles. These inspections yielded 1.9 kg of seized cocaine, as well as the arrests of 40 individuals for trafficking offenses, but, according to the PNC, the most important impact was the deterrent effect. Overall in

2007, the National Civilian Police (PNC) seized a total of 261 kg of marijuana and 4 MT of cocaine.

Corruption. The GOES does not as a matter of policy encourage or facilitate illicit production or distribution of narcotics, psychotropic drugs, or other controlled substances, nor does it launder proceeds from illegal drug transactions. No senior Salvadoran government officials are known to engage in, encourage, or facilitate the illicit production or distribution of drugs, nor the laundering of proceeds from illicit drug transactions. Salvadoran law severely penalizes abuse of an official position in relation to the commission of a drug offense, including accepting or receiving money or other benefits in exchange for an act of commission or omission relating to official duties. The PNC's Internal Affairs Unit and the Attorney General's Office investigate and prosecute GOES officials for corruption and abuse of authority. El Salvador is a party to the Inter-American Convention against Corruption, and to the UN Convention against Corruption.

Agreements and Treaties. El Salvador is a party to the 1988 UN Drug Convention, the 1971 UN Convention on Psychotropic Substances; the 1961 UN Single Convention as amended by the 1972 Protocol; the Central American convention for the Prevention of Money Laundering Related to Drug-Trafficking and Similar Crimes; the UN Convention against Transnational Organized Crime and its three protocols, and the UN Convention against Corruption. El Salvador is also a party to the Inter American Convention against Corruption, the Inter American Convention on Extradition, and Inter American Convention on Mutual Assistance in Criminal Matters. The 1911 extradition treaty between the United States and El Salvador does not provide a workable extradition regime for most crimes, and the constitutional prohibition of life imprisonment is an obstacle to negotiating a new bilateral extradition treaty. However narcotics offenses are extraditable crimes by virtue of El Salvador's ratification of the 1988 UN Drug Convention.

Cultivation/Production. Local growers cultivate small quantities of marijuana in the mountainous regions along the border with Guatemala and Honduras for domestic consumption.

Drug Flow/Transit. Heroin and cocaine smuggled through the Eastern Pacific transit routes along El Salvador's coastline. Traffickers using go-fast boats and commercial vessels smuggle narcotics through adjacent international and Salvadoran waters. Land transit of cocaine and heroin from Colombia is typically through El Salvador on the Pan-American Highway. Most drugs transiting over land are carried in the luggage of commercial bus passengers and in hidden compartments inside commercial tractor-trailers traveling north to Guatemala.

Domestic Programs (Demand Reduction). Several government agencies implement GOES demand reduction programs. The Ministry of Education provides lifestyle and drug prevention courses in public schools, and also sponsors after-school activities. The PNC operates a D.A.R.E. (Drug Abuse Resistance Education) program modeled on the U.S. program. The Ministries of Governance and Transportation have units that advocate drug-free lifestyles. The Public Security Council (Consejo Nacional de Seguridad Publica) promotes gang member demobilization, and actively sponsors substance abuse prevention outreach towards El Salvador's gang population. A USG-supported Salvadoran NGO works with the GOES to provide substance abuse awareness, counseling, rehabilitation, and reinsertion services to the public, including programs directed towards gang members. In 2007 this NGO provided demand reduction outreach to 3,450 individuals, as well as addiction treatment to 367 patients. EL Salvador also has numerous local faith-based demand reduction programs, as well as counseling programs administered by recovering addicts.

IV. U.S. Policy Initiatives and Programs

Policy Initiatives. The primary focus of U.S. assistance is increasing the operational capacity of Salvadoran law enforcement agencies to interdict illicit narcotics shipments, and to combat

narcotics-related money laundering, financial crime, and public corruption. Promoting transparency, efficiency, and institutional respect for human and civil rights within Salvadoran law enforcement organizations and the criminal justice system are also at the forefront of the U.S. assistance agenda. U.S. efforts to combat transnational gangs also help to mitigate the corrosive impact of street-level drug sales, narcotics consumption, and related violence.

Bilateral Cooperation. The USG works closely with the PNC Anti-narcotics Division (DAN). The U.S. provided funding for operational support to the joint DEA and PNC DAN high profile crimes unit (GEAN), as well as training and logistical assistance to various DAN entities. The two countries also work to target narcotics-related money laundering through the PNC financial crime unit and the federal prosecutor's Financial Investigation Unit (FIU). The U.S. is working to establish stronger ties to federal banking regulators and the local banking association regarding issues relating to drug trafficking and money laundering. The United States also funded training and travel related to airport security, money laundering, maritime boarding operations, law enforcement and professional development, crisis management, and anti-gang measures. Other regional and in-country USG assets include the International Law Enforcement Academy (ILEA) and appropriate U.S. military and Coast Guard personnel training, assistance, and logistical support for Salvadoran counterparts. A Regional Gangs Advisor for El Salvador, Honduras and Guatemala was hired in late 2007 and will begin work in January 2008.

Road Ahead. To enhance the GOES ability to prosecute and convict criminals, the United States will continue to provide training and support to Salvadoran law enforcement institutions to enhance operational and investigative capacity and increase prosecutorial capacity. Automated fingerprint analysis and computerized database sharing will significantly increase GOES ability to solve crimes and convict criminals. Additional information sharing among the police, prosecutors, financial regulators, and the banking industry will also facilitate more effective trafficking, money laundering, and financial crime investigations. Establishment of a civil asset forfeiture regime as well as passage of a wiretap statute would also strengthen GOES ability to investigate and prosecute criminal activity.

Guatemala

I. Summary

Guatemala is a major transshipment point for South American cocaine and heroin destined for the United States via Mexico. While not a major producing country, poppy cultivation has increased in recent years. Guatemalan law enforcement also struggles against the significant influence of narcotics trafficking organizations in some regions of the country.

The Government of Guatemala's (GOG) attempts to address drug trafficking have been hampered by narcotics-related corruption, a major concern for the U.S. However in 2007, the GOG took significant steps to counter the influence of organized crime, such as firing corrupt police and establishing the International Commission Against Impunity in Guatemala (CICIG). Guatemala is a party to the 1988 UN drug convention.

II. Status of Country

Guatemala is a major transshipment point for South American cocaine and heroin destined for the United States via Mexico, increasingly by maritime routes. Poppy cultivation, while still low, has increased in recent years, and is monitored and eradicated.

GOG agencies, military, and police have limited ability to control the narcotics problem. Corruption, lack of adequate financing, distrust of the government, and weak institutions create an environment that narco-trafficking cartels exploit to their advantage. A new administration took office in January.

III. Country Actions Against Drugs in 2007

Policy Initiatives. The Guatemalan government strengthened the rule of law through ratification of the CICIG, establishing an autonomous forensics lab, putting the Organized Crime bill into effect, drafting a comprehensive extradition law, and appointing special judges to issue warrants in sensitive cases. The CICIG will address human rights abuses and also investigate the participation of government entities in crime when it becomes operational.

The Guatemalan Congress passed a law in 2007, creating the Autonomous Forensic Laboratory Institute (INACIF). This will enhance the ability of the police, prosecutors and the courts to use forensic evidence in criminal prosecutions. Until the creation of this lab, the Guatemalan judiciary relied almost solely on witness testimony.

A new extradition law was proposed in 2007 that would solidify a currently disjointed set of extradition laws into a single statute and streamline the process for extraditing criminals, including Guatemalan nationals, to the United States. It is on the agenda for consideration by the congress in 2008. Regulations for implementing last year's Organized Crime bill are now in place.

In September 2007, the Guatemalan Supreme Court approved the appointment of twelve itinerant judges with nation-wide jurisdiction to issue sensitive search warrants in narcotics and money laundering cases. This will provide the timely issuance of search warrants and reduce the threat of leaks of information and corruption that had previously undermined narcotics investigations.

Law Enforcement Efforts. Land interdiction, while improved in 2007, is not yet satisfactory. Seizures in 2007 total 730 kg of cocaine. Some lag is due to a purge of the narcotics police in late 2005, and the need to re-staff, vet and train new officers. The police in general are suspected of corruption at many levels. The GOG has attempted to correct this by purging the police of corrupt officers. 1,215 police officers were removed from the police in 2007, primarily for corruption. In

late 2007, the GOG changed the leadership of their counter narcotics effort (the Chief of the Service of Anti Drug Intelligence, SAIA).

The Division of Ports Inspection (DIPA), the police branch responsible for protecting Guatemala's borders and ports, continues to improve its interdiction in the airports, but there have been less satisfactory results at borders and ports. DIPA leadership was also recently changed due to the lack of results.

Guatemala assigned various military units to the northern Peten area. While there is no empirical evidence to show a reduced rate in trafficking, the presence of these units may have disrupted narco-trafficking operations.

GOG cooperation has been excellent with regard to maritime counternarcotics operations. The government has responded rapidly to grant permission for U.S. interventions in Guatemalan-flagged or crewed vessels or Guatemalan waters. As of November 2007 U.S. forces, with Guatemalan and other Central American countries' cooperation, seized nearly 160 tons of cocaine. Both land and maritime interdictions are expected to improve when the combined information sharing system (CRADIC) is fully functioning in 2008.

Corruption. As a matter of policy, the Government of Guatemala and its most senior officials do not encourage or facilitate the production, processing, or shipment of narcotic and psychotropic drugs or other controlled substances, and do not discourage the investigation or prosecution of such acts. However in practice, there is corruption of some police, judges and other public officials, especially at the local level. This has been fostered and exploited by narcotics traffickers. During 2007, the Ministry of Government fired hundreds of police officers, including many from the antinarcotics and port security units, to weed out corrupt officials. Despite the serious GOG steps to address narcotics-related corruption, the severity of the problem continues to hamper law enforcement actions against organized crime. In February, three visiting Central American parliamentarians and their driver were murdered, and the murder was tracked to Guatemalan police officers. The police officers were arrested and, subsequently, were themselves murdered while being held in prison before trial. This is a strong indication of infiltration by organized crime in the criminal justice system.

Agreements and Treaties. Guatemala is a party to the 1961 UN Single Convention and its 1972 Protocol; the 1971 UN Convention on Psychotropic Substances; the 1988 UN Drug Convention; the Central American Commission for the Eradication of Production, Traffic, Consumption and Illicit Use of Psychotropic Drugs and Substances; and the Central American Treaty on Joint Legal Assistance for Penal Issues. Guatemala is a party to the UN Convention against Transnational Organized Crime and its three protocols. A maritime counternarcotics agreement with the U.S. is not yet in force. Guatemala also is a party to the Inter-American Convention Against Corruption, and the Inter-American Convention on Mutual Assistance in Criminal Matters. In addition, Guatemala ratified the Inter-American Mutual Legal Assistance Convention, and is a party to the Inter-American Drug Abuse Control Commission (an entity of the OAS).

The extradition treaty between the GOG and the USG dates from 1903. A supplemental extradition treaty adding narcotics offenses to the list of extraditable offenses was adopted in 1940. All U.S. requests for extradition in drug cases are consolidated in specialized courts located in Guatemala City. In 2007, the GOG extradited three Guatemalan citizens to the U.S. for narcotics offenses.

Cultivation and Production. Guatemala is fighting against a return to past levels of opium poppy cultivation. There is no systematic estimate, but observation flights suggest that cultivation has increased to between 600 and 800 hectares. GOG authorities, with USG support, destroyed 449 hectares of opium poppy in four large-scale eradication missions involving police and military

units in 2007. It was estimated that 300 hectares remain to be destroyed. A limited amount of poor quality cannabis is grown for the local market.

Drug Flow/Transit. Air transport plays a role in transshipment through Guatemala, especially through the Peten to the Mexican border. However, it is estimated that more than 80 percent of South American cocaine derivatives that pass through the country come through maritime routes. Maritime drug transit to Guatemala continues to rely heavily on mother ships working in concert with fishing vessels positioned beyond the 12 mile territorial waters limit. Smaller fishing vessels also smuggle the loads into the many ports and estuaries along Guatemala's Pacific coast, where it is broken down into smaller loads for transit to Mexico en route to the U.S. DEA information suggests that Guatemalan opium gum is shipped into Mexico, and then processed into heroin for onward shipment to markets in the United States and Europe.

Domestic Programs/Demand Reduction. In 2007, Guatemala's Demand Reduction Agency, SECCATID, integrated anti-addiction components of the National Program of Preventive Education (PRONEPI) into all parts of the national K-12 curriculum. In August, NAS and SECCATID held a regional conference on the establishment and support of social networks to implement demand reduction programs. The outcome was a proposal to use the internet for continued best-practice sharing, activity coordination, and as a functional directory of Guatemalan demand reduction organizations.

In cooperation with the INL Demand Reduction program, the GOG's Model Precinct Program in Villa Nueva began a Police Athletic League as an adjunct to its community policing strategy. The League targets at-risk youth and provides, in addition to a safe and healthy environment, information on and links to the broader network of prevention, treatment, and social support available within Guatemala.

IV. U.S. Policy Initiatives and Programs

Policy Initiatives. U.S. policy is to strengthen the law enforcement and judicial sectors' capacity to combat organized crime and drug trafficking through four programs. The Narcotics and Law Enforcement Project supports the GOG's counternarcotics institutions and focuses on enhancing the investigative and operational capacity of the Guatemalan law enforcement through training, technical assistance and equipment, including anti-corruption measures.

Bilateral Cooperation. The Narcotics Prosecutor Assistance Project enhances the capacity of the Public Ministry's special prosecutors unit to win convictions against narcotics, money laundering and corruption crimes through improved case development and processing, as well as improving the GOG's capacity to effectively and transparently prosecute criminals while respecting internationally recognized human rights.

The Demand Reduction and Public Awareness Project supports the Executive Secretariat for the Commission Against Addiction and Drug Trafficking's (SECCATID) efforts to address the threat that growing drug abuse poses through equipment and technical assistance.

The Law Enforcement Development Project develops PNC's capability to implement effective community-level policing for effective and efficient investigations and patrolling, increase effectiveness of the Internal Inspection Unit and the Office of Professional Responsibility, and supports its implementation of an effective intelligence/analysis unit (CRADIC).

The Road Ahead. The U.S. has urged the GOG to take urgent steps to impede the flow of cocaine through its territory and to increase the capacity of the Public Ministry's special prosecutors unit to win convictions in narcotics, money laundering and corruption crimes. The U.S. will support GOG efforts to implement effective procedures to use and share seized assets and enhance controls over precursor chemicals, and will provide training in building complex cases against organized crime

and gangs and provide assistance to the Internal Inspection/Office of Professional Responsibility and internal audits and investigations to help decrease corruption.

Anti-narcotics forces will have two new tools in 2008. These include an Automated Fingerprint Identification System that will more effectively solve cases, identify gang members, and provide appropriate information to neighboring countries regarding the identification of transnational criminals. The USG will also provide four Huey II helicopters, training for pilots and maintenance crews, Quick Reaction Force (QRF) and logistical support training to provide the GOG with the capacity to launch missions in support of counternarcotics operations.

Honduras

I. Summary

The Government of Honduras (GOH) cooperates with the United States in investigating and interdicting narcotics trafficking, and, in 2007, combined operations resulted in an increase of maritime vessels searched and joint prosecutions. However, Honduras's lack of financial resources, institutional and leadership challenges and corruption weaken efforts to adequately address transshipment of cocaine and heroin from South America to the United States and Europe. Honduras is a party to the 1988 United Nations Drug Convention.

II. Status of Country

Honduras is affected by drug trafficking in a number of different ways. It is increasingly a transshipment point for cocaine and heroin destined for the United States. For example, flight tracking shows an increase in transit, as narcotics traffickers shift some of their operations from Guatemala to Honduras. Honduran fishing boats are being utilized for smuggling cocaine or for logistical support of drug laden boats heading north. However, the GOH's ability to catch and convict traffickers is limited by a number of factors, including sparsely populated and isolated jungle regions, limited resources, corruption, and poor control of the north coast and eastern border. It is also affected by violent gangs, which are involved in retail street-level drug distribution. Finally, reports indicate small amounts of marijuana grown in the center of the country, and a more recent challenge of increased diversion of pseudoephedrine.

III. Country Actions Against Drugs in 2007

Policy Initiatives. The Honduran Congress continues to debate reforms to the Organic Police Law, first introduced in 2006 that would strengthen the police units and Internal Affairs. These reforms would allow for mandatory polygraph exams and drug tests on all police officers, permit the removal of police with links to gangs and organized crime, and give the authority to terminate police officials who have committed crimes. These reforms are expected to be considered in 2008. An amendment to the Transparency Law, which will allow public scrutiny of government actions, was passed in May 2007. Implementation is pending approval of by-laws.

As part of a plan to improve the National Police, the force added 2,000 police officers, decentralized some police commands, and plans to conduct polygraph tests on all applicants to the police academy once the new changes to the Organic Law are passed. The Ministry of Security increased the use of motorcycle patrols to respond to citizen calls for assistance and crime scenes more efficiently and reduce fuel use.

Law Enforcement Efforts. During 2007, the National Police of Honduras seized nearly 6 metric tons (MT) of cocaine, 3.5 kilograms (kg) of crack cocaine rocks, 1.7 MT of marihuana, and 1 kg of heroin. With USG assistance, the GOH continued to expand maritime interdiction, particularly on the north coast. In one such operation, the Honduran Navy and the U.S. Coast Guard (USCG) seized 2 MT of cocaine from a Honduran flagged vessel in April. GOH authorities arrested 789 persons for drug-related offenses and seized over \$1 million in cash and over \$10 million in assets as a result of joint operations. Honduras continued to participate in the USG interagency counternarcotics "Operation All Inclusive."

The USG and Honduras increased their collaboration in the fight against traffickers. The GOH Organized Crime Prosecutor collaborated with the U.S. Attorney's Offices in U.S. investigations of Honduran traffickers, increasing joint prosecutions that focused on higher level traffickers.

However, prosecutions in Honduras are still hampered by judicial corruption, inefficiency, overwhelming caseloads and funding constraints.

Corruption. As a matter of policy, the GOH does not facilitate the production, processing, or shipment of narcotic and psychotropic drugs or other controlled substances. While legal measures are in place to prevent and punish public officials, enforcement is sporadic and convictions are rare. However, public corruption is a problem in Honduras, including police and the judiciary. The GOH reports that drug trafficking and other organized crime activities are directed from the prisons and by current and former government and military officials.

Agreements and Treaties. Honduras has counternarcotics agreements with the United States, Belize, Colombia, Jamaica, Mexico, Venezuela, and Spain. Honduras is a party to the 1988 UN Drug Convention, the 1971 UN Convention on Psychotropic Substances, and the 1961 UN Single Convention as amended by its 1972 Protocol. The major public maritime ports are in compliance with International Ship and Port Facility Security codes and the country is an active member of the Inter-American Drug Abuse Control Commission (CICAD). Honduras is a party to the Inter-American Convention against Corruption, the UN Convention against Corruption, the Inter-American Convention against Corruption, the UN Convention against Transnational Organized Crime, and the Inter American Convention on Mutual Assistance in Criminal Matters. A U.S.-Honduras maritime counternarcotics agreement entered into force in 2001 and a bilateral extradition treaty is in force between the United States and Honduras. Honduras signed the multilateral Caribbean Maritime Counter Drug Agreement in 2003, but has not yet ratified it. A Declaration of Principle was signed between the United States and Honduras on December 15, 2005 as part of the Container Security Initiative (CSI) for the inspection of sea-going cargo destined to the United States and other countries.

Cultivation and Production. Marijuana is cultivated in Honduras in small isolated plots, especially the mountainous regions of the Departments of Copan, Yoro, Santa Barbara, Colon, Olancho, and Francisco Morazan. There are reports of clandestine laboratories that produce methamphetamine in Honduras. The GOH has evidence showing an increase in the diversion of pseudoephedrine.

Drug Flow and Transit. South American cocaine destined for the United States and, to a lesser extent, to Europe transits Honduras by land, sea, and air. Remote and isolated areas, particularly on the north coast, are a natural safe haven for traffickers, who refuel maritime assets and effect boat-to-boat transfers. Aircraft are also used to smuggle cocaine. Heroin is believed to be transported through Honduras to the United States in small quantities. There is an increase in the diversion of precursor chemicals used to manufacture methamphetamines.

Domestic Programs. The government's Honduran Institute for the Prevention of Alcoholism and Drug Addiction (IHADFA) works in the areas of research, prevention, treatment and rehabilitation. Numerous church groups and NGOs have drug prevention and rehabilitation projects. Increased drug use and street level trafficking by gang members, who target young children, is a growing concern.

IV. U.S. Policy Initiatives and Programs

Bilateral Cooperation. The U.S. supports the Special Vetted Unit that targets major traffickers operating in Honduras; Frontier Police interdiction; canine units; and a consolidated information center. It also supports anti-corruption programs within the Ministry of Public Security by providing funding and logistical support to the National Police Internal Affairs Office. The U.S. also supports the Container Security Initiative ports program and Honduran participation in a regional port-security training course. In 2007 the GOH established a new military base and two task forces on the north coast that will strengthen government presence in what is a major

transshipment area. Through the “Beyond the Horizons” project, the USG will upgrade the facilities at the new Naval Base in Barra de Caratasca and at Joint Task Force Policarpo Paz Garcia in Puerto Lempira.

The Road Ahead. The GOH plans to improve police operations with a focus on police academy reforms, improved communications and anti-corruption measures, including the pending Organic Police Law. The Ministry of Security will also focus on improving the prison system with U.S. assistance and dismantling criminal organizations working from within the penitentiaries. Trafficking will be addressed with a focus on capturing the high level criminals that arrange for drug trafficking and increased inspections through the Container Security Initiative (CSI), Secure Freight Initiative (SFI) and the new Mega-ports Initiative.

Mexico

I. Summary

In 2007, Mexico made unprecedented efforts and achieved unprecedented results in attacking the corrosive effects of drug trafficking and consumption during the first complete year of the Calderon Administration. In the first weeks of his administration, President Calderon launched aggressive operations across Mexico to reassert control over areas that had fallen under the virtual dominion of drug cartels. Mexican authorities extradited a record 83 fugitives to the United States, including the leader of the Gulf Cartel. Among the many important successes registered by law enforcement authorities was the seizure of over \$200 million in cash from a methamphetamine precursor operator, and the seizure of over 48 metric tons (MT) of cocaine (more than twice the amount seized during 2006). Although the Government of Mexico (GOM) continued to eradicate opium poppy and marijuana, total cultivation rose. The GOM greatly reduced the amount of imports of methamphetamine precursors in 2007, and implemented new regulations that will eliminate imports in 2008. Mexico will eliminate the commercial sale of final products containing methamphetamine precursors in 2009. In October, the Presidents of Mexico and the United States announced the Merida Initiative, a historic plan to achieve deeper and stronger law enforcement cooperation. Mexico is party to the 1988 UN Drug Convention.

II. Status of Country

Mexico is a major transit and source country for illicit drugs reaching the United States. Roughly 90 percent of all cocaine consumed in the United States transits Mexico, and the country is a major source of heroin, methamphetamines and marijuana, as well as a primary placement point for narcotics-derived criminal proceeds from the U.S. into the international financial system.

The trafficking of drugs, precursors, arms, persons and contraband has had serious repercussions for Mexican society. Upon taking office, President Calderon initiated operational surges across the country, targeting drug trafficking and the related violence. He employed the Mexican military in these efforts, re-establishing federal control over areas that had been under the influence of drug trafficking organizations (DTOs). The cartels resisted the law enforcement offensive, and turf battles broke out among drug lords, leading to increased violence. Reliable sources estimate that there were between 2,300 and 2,600 drug-related killings in 2007 (as compared to 2,000 in 2006). In addition, DTOs targeted high-level GOM law enforcement officials by DTOs. For example, Jose Nemesio Lugo, Deputy Director of the PGR's National Center for Analysis, Planning and Intelligence against Organized Crime (CENAPI), was killed May 14, and Omar Ramirez, the police commander of a special investigative unit, was killed September 12. While Mexican DTOs continue to control domestic drug production and trafficking, as well as the laundering of drug proceeds, it is clear that other nationalities (such as Colombians and Venezuelans) play an important role in drug trafficking in Mexico, as facilitators, transporters and sources of supply for cocaine and heroin.

III. Country Actions Against Drugs in 2007

Policy Initiatives. Since entering office in December 2006, President Calderon has demonstrated an unprecedented commitment to improving public security by launching aggressive counternarcotics operations in 11 states, and significantly boosting investment in the nation's security forces, promising to make Mexico's security institutions more effective. Moreover, the GOM's law enforcement agencies (LEAs) have strengthened their cooperation with U.S. Government (USG) LEAs. In October 2007, the GOM and USG announced the Merida Initiative,

which – if approved by the U.S. Congress – would provide an unprecedented level of USG support to Mexico’s fight against the common threat of transnational criminal activity. The GOM’s initiatives include:

-- Professionalization of the Federal Police: Genaro Garcia Luna (Secretary for Public Security—SSP) began to restructure the federal police into an entity that is more effective and trustworthy. In June, he replaced 284 Federal Preventative Police (PFP) and Federal Investigative Agency (AFI) commanders, including all 34 regional PFP coordinators. SSP will soon have the means to vet its entire force, as well as many units drawn from state and municipal police, to stem corruption.

-- Creation of “Platforma Mexico”: The SSP also launched the multi-year, billion-dollar initiative that will establish real-time interconnectivity among all levels of police and prosecutors and support a national crime database.

-- Legal Reforms: Calderon has submitted a package of legal and Constitutional reforms to Mexico’s Congress to unify the federal police into one force, and allow it to investigate proactively, increase the discretion of prosecutors to improve prosecutions and modify the code of criminal procedures to establish enhanced due process protections and more transparent processes, including a greater reliance on oral trials.

-- Regional Security Plan: The GOM has also worked with the governments in Central America and Colombia to craft a comprehensive regional security strategy that would improve interdiction throughout the region.

Mexico also worked multilaterally to promote efficient and effective counternarcotics and anti-corruption policies. During 2007, Mexico chaired the Working Group on Precursor Chemical and Pharmaceutical Control within the Inter-American Drug Abuse Control Commission of the Organization of American States (OAS/CICAD), providing leadership in regional efforts to control precursor diversion.

Accomplishments. Significant Mexican counternarcotics enforcement actions in 2007 included sophisticated organized crime investigations, marijuana and poppy eradication, strong bilateral cooperation on drug interdiction and arrests of several major drug traffickers, in Mexico and the U.S. including: Zhenli Ye Gon, a major methamphetamine trafficker; Carlos de la Cruz and Alfredo Beltran, Gulf Cartel chieftains; and, Sandra Avila, known as the “Queen of the Pacific.”

Law Enforcement Efforts. Mexican law enforcement interdicted over 48 MT of cocaine; 2,174 MT of marijuana; 292 kgs of opium gum; 298 kgs of heroin; and, 899 kgs of methamphetamine in 2007. The record interdiction of illicit drugs in 2007 was complemented by the seizure of 6,310 illegal firearms and the arrest of 19,384 persons on drug-related charges, including 19,120 Mexicans and 264 foreigners. According to the Mexican Attorney General’s Office (PGR), 26 drug processing laboratories were dismantled in Mexico during 2007; DEA reports that nine of these were classified as methamphetamine “super labs” (i.e., having a production capacity of 10 pounds or more per processing cycle).

Corruption. As a matter of policy, the GOM does not encourage nor facilitate the illicit production or distribution of narcotic or psychotropic drugs or any other controlled substances, nor the laundering of money derived from illicit drug transactions. During 2007, the Calderon Administration strictly targeted corruption within the federal government. Each year, the underlying causes of corruption diminish, as better pay and benefits are provided, better selection criteria are employed for new employees, and more modern investigative techniques are applied. In 2007, the Secretariat of Public Administration (SFP, which investigates corruption across the federal government) reported that 6,253 inquiries and investigations into possible malfeasance or misconduct by 4,877 federal employees resulted in the dismissal of 410 federal employees, the dismissal of an additional 1,023 employees with re-employment restrictions, the suspension of

1,664 employees, 2,173 reprimands and the issuance of 9 letters of warning. In addition, 974 economic sanctions were imposed which resulted in more than \$273 million in fines and reimbursements into the Treasury.

Agreements and Treaties. Mexico is party to the 1961 UN Single, as amended by the 1972 Protocol, the 1971 UN Convention on Psychotropic Substances, and the 1988 UN Drug Convention. Mexico also subscribes to regional counternarcotics commitments, including the 1996 Anti-Drug Strategy in the Hemisphere and the 1990 Declaration of Ixtapa. Mexico is a party to the UN Convention Against Corruption and the UN Convention Against Transnational Organized Crime and its three protocols. Mexico is also a party to the Inter-American Convention Against Corruption.

The current U.S.-Mexico bilateral extradition treaty has been in force since 1980. The 2001 Protocol to this Treaty allows for the temporary surrender for trial of fugitives serving a sentence in one country but wanted on criminal charges in the other. The United States and Mexico cooperate in judicial assistance matters under a bilateral mutual legal assistance treaty. In addition, Mexico is a party to the Inter-American Convention on Mutual Assistance in Criminal Matters.

Extradition and Mutual Legal Assistance. In 2007, Mexican authorities extradited 83 fugitives to the United States, twenty more than in 2006. For the first time, Mexico extradited several high-level traffickers (including Osiel Cardenas Guillen, the leader of the Gulf cartel) whose extradition had been delayed due to judicial appeals or pending Mexican charges. Some 30 of those extradited in 2007 were wanted in the United States for narcotics trafficking and related money laundering offenses; 64 were Mexican citizens. Recent decisions of the Mexican Supreme Court of Justice have facilitated extraditions, but the process is lengthy and complex.

In addition to the record number of extraditions, USG and Mexican LEAs regularly coordinate to deport or otherwise expel numerous fugitives to the United States. During 2007, Mexican authorities—in cooperation with the U.S. Marshals Service and the Federal Bureau of Investigation—deported 163 non-Mexican fugitives (mostly U.S. nationals) to the United States to stand trial or serve sentences. Many of these fugitives were wanted on U.S. drug charges.

Cultivation and Production. In 2007, the Mexican military assumed sole responsibility for eradicating two illicit crops—marijuana and opium poppy—cultivated within Mexico. The majority of the marijuana produced in Mexico enters the U.S. market. GOM data indicated that overall eradication of marijuana (21,357 ha) declined in 2007 from 2006 levels. The GOM also reported eradicating 11,046 ha of opium poppy in 2007, another decrease from 2006 levels. The decline in the rates of eradication is at least in part due to the realignment of responsibilities for aerial eradication. The PGR ceased its eradication flights in December 2006, and the subsequent rate of aerial eradication by the military has been slow.

Drug Flow and Transit. Cocaine arriving in Mexico by land, sea and air routes is often transferred overland to the U.S. land border in commercial trucks with hidden compartments, or concealed within legitimate cargo. For example, Mexican authorities seized two cocaine shipments in October—an 11.7 ton shipment on October 5 in Tampico, and a record-breaking 23.5 ton shipment on October 30 in Manzanillo, both shipments were concealed in shipping containers. Traffickers also began using small jet aircraft for transporting narcotics, such as the use of leased Gulfstream long-range business jets, as modes of transport. Four such aircraft were involved in smuggling cocaine into Mexico from Venezuela and Colombia, one of which crashed near Cancun on September 24, resulting in the seizure of 3.3 MT of cocaine at the crash site. Shipment of cocaine to Europe is increasing.

Although cocaine trafficking through Mexican territory is clearly controlled by major Mexican DTOs, trafficking in heroin is dispersed and fragmented. Heroin production is controlled by opium

farmers, heroin processors, small-scale trafficking groups operating independently or with mutually supportive businesses. In many instances, farmers sell their opium harvest to a trafficker with access to heroin processors and distribution networks. Of the 298 kgs of heroin seized in 2007 by Mexican officials, close to nine-tenths were confiscated in Sonora, Chihuahua and the Federal District. Outbound smuggling of heroin mostly occurs through international airports via couriers or in cargo.

Despite efforts by the Mexican Government to restrict the licit entry of its precursors, the manufacture and trafficking of methamphetamine continued to be significant in 2007. Methamphetamine seizures increased to 899 kgs nationwide compared to 621 kgs in 2006, and production and trafficking were dispersed throughout the country. Special law enforcement operations targeting precursors were particularly effective. Several seizures of a half-ton or more of precursors took place at the Mexico City airport, and other important seizures were registered in Cancun, Guadalajara and Manzanillo.

Domestic Programs. Domestic drug use is rising in Mexico. The two populations most at risk are teenagers and senior citizens. Teenagers most commonly use marijuana, followed by cocaine, methamphetamine and such inhalants as aerosol-propelled paints and glue. Senior citizens tend to abuse prescription drugs. National surveys of drug use trends undertaken by Mexico's Secretary of Health have documented the decline in the age of initiation to 8-/10-year-olds. Drug abuse is most prevalent along the border with the United States and in Mexico's major cities. The state of Baja California has a particularly severe problem, centered in Tijuana. Methamphetamine abuse is on the rise, especially along the U.S. border. Federal health officials coordinate prevention, treatment and rehabilitation programs through a variety of avenues, including state and municipal governments, ancillary federal entities and non-governmental organizations.

IV. U.S. Policy Initiatives and Programs

Bilateral Cooperation. Bilateral counternarcotics cooperation continues to grow in scope and quality. U.S. Government (USG) law enforcement personnel share sensitive tactical information with their Mexican counterparts in real time, resulting in greater numbers of successful interdiction operations. In 2007, coordinated efforts with the Mexican Navy led to the GOM seizing over 2.7 MT of cocaine from maritime vessels. Occasionally, USG assets on the high seas chased suspected smugglers into Mexican waters, where Mexican navy assets continued the pursuit. In addition, the time required to obtain GOM approval for USG requests to board Mexican-flagged commercial vessels in international waters has been reduced to one to two hours, compared to a response time of six to eight hours in the past.

The USG provided training to thousands of Mexican LEA personnel in 2007. For example, basic instruction was provided to Mexican Customs personnel on the maintenance and use of donated Non-Intrusive Inspection Equipment (NIIE) used to inspect vehicles for drugs, explosives, weapons, bulk cash and other contraband. DHS/CBP personnel then complemented this with training in targeting, to help them achieve a correct balance between interdiction and trade facilitation. DHS/CBP also loaned NIIE to Mexican Customs to use during surge operations along the northern border. This equipment complemented three mobile NIIE units that were provided to the GOM by the USG in 2005.

In 2007, the USG provided Clandestine Laboratory (CLAN-LAB) training for Mexican LEA personnel to bolster local capabilities against synthetic drugs, particularly methamphetamine. Over 1,900 Mexican LEA personnel have now received training in precursor detection/investigative techniques and in how to conduct raids on the hazardous and heavily polluting methamphetamine labs. The USG also provided Mexican LEA personnel with "First Responder" safety equipment.

The USG's Law Enforcement Professionalization and Training Project provided 275 training courses to 6,269 Mexican LEA personnel. This included the training of 388 information technology engineers who received 73 specialized and advanced courses in computer software applications. In 2007, the USG began a multi-year effort to help the SSP reform its entire structure. This included training SSP recruits at its Police Academy in San Luis Potosi, an effort that will continue until SSP's goal of bringing on 8,000 new investigative personnel is met. USG LEAs have provided a variety of specialized training to the newly formed Federal Police, in such areas as CyberCrime and Explosives-Incendiary Devices. The USG has also provided training to new SSP polygraph operators. Meanwhile, specialized training projects for other LEA personnel continued throughout Mexico, at both federal and state levels. The USG, in conjunction with UNODC, also initiated a training program with the GOM on the National Drug Control System (NDCS), a computer network that assists with managing drug control measures and facilitating licit commerce. Thirteen other Latin American countries already use NDCS.

The U.S. Coast Guard (USCG) provided several training courses to the Mexican Navy in 2007. These included seven maritime law enforcement courses, focused on maritime boarding tactics and procedures, for over 250 Mexican Navy personnel.

The DHS-ICE led Border Enforcement Security Taskforces (BEST) program, originally established to combat cross-border violence along the Southwest Border, improved bilateral cooperation since Mexican law enforcement personnel were co-located with U.S. counterparts, which furthered information sharing and joint investigations. Bilateral coordination was also enhanced through an ICE Mexican Liaison Officer (MLO) program to establish an official ICE point of contact for DHS/CBP (Customs and Border Protection), the Mexico Senior Representatives, state and local law enforcement agencies as well as Mexican federal and local law enforcement agencies along the border.

Border security was enhanced through an ATF canine program that trains Mexican LEAs on explosives and weapons detection. Canine/handler teams that come from this training are being deployed in border areas and airports. The ATF activities complement training that is provided by other USG agencies to train teams in the detection of concealed narcotics and currency.

In 2007, the GOM and the USG inaugurated Secure Electronic Network for Traveler's Rapid Inspection (SENTRI) access lanes constructed with USG funding at Matamoros/Brownsville and at Reynosa/Hidalgo. This fulfilled the USG commitment to build six SENTRI projects along Mexico's northern border. SENTRI combines increased border security with the facilitation of the cross-border movement of the pre-cleared travelers enrolled in the program.

The U.S. and Mexican Governments have cooperated on initiatives that have enhanced the ability of LEAs to take down DTO members. Mexico was an important contributor to "Operation All Inclusive", a regional initiative in which DEA coordinated with counterpart LEAs to disrupt trafficking, netting significant seizures of cocaine, heroin and methamphetamine, as well as laundered money linked to drug transactions. The ensuing disruption to trafficking has been credited with helping to decrease the supply, dilute the purity and increase the price of cocaine and methamphetamine in the United States.

The Road Ahead. The Calderon Administration's courage, initiative and success have exceeded all expectations. President Calderon has addressed some of the most basic institutional issues that have traditionally confounded Mexico's success against the cartels, using the military to reestablish authority and counter the cartels' firepower, moving to establish integrity within the ranks of the police, and pursuing concrete actions that promise to give law enforcement officials and judicial authorities the resources and the legal underpinning needed to succeed. Finally, in an unprecedented gesture, he has agreed with the U.S. to pursue much-enhanced bilateral cooperation through the Merida Initiative.

In addition to the Merida Initiative, efforts to improve information sharing and collection, improvements in data and communications networks, and police modernization through training and professionalization will help regain space ceded to the cartels over the years. Other initiatives including pursuing demand reduction, more efficient and transparent administration of justice and various other efforts aimed at curbing corruption will help to create public support for these joint initiatives.

V. Statistical Tables

MEXICO STATISTICS (1997-2007)											
	2007*	2006	2005	2004	2003	2002	2001	2000	1999	1998	1997
Opium											
Harvestable / Net Cultivation (ha)	-	5,100	3,300	3,500	4,800	2,700	4,400	1,900	3,600	5,500	4,000
Eradication (ha)	11,046	1,6889	21,609	15,925	20,034	19,157	19,115	15,300	15,469	17,449	17,732
Potential Opium Gum (MT)	-	110	71	73	101	58	71	21	43	60	46
Potential Heroin (MT)	-	13	8	9	12	5	7	2	4	6	5
Cannabis											
Harvestable / Net Cultivation (ha)	-	8,600	5,600	5,800	7,500	7,900	4,100	3,900	3,700	4,600	4,800
Eradication (ha)	21,357	31,161	30,842	30,851	36,585	30,775	28,699	33,000	33,583	23,928	23,576
Net Cannabis Production (MT)	-	15,500	10,100	10,440	13,500	7,900	7,400	7,000	6,700	8,300	8,600
Seizures											
Cocaine HCl (MT)	48	21	30	27	21	12	30	18	33	22	34
Cannabis (MT)	2,174	1,849	1,786	2,208	2,248	1,633	1,839	1,619	1,459	1,062	1,038
Opium Gum (kg)	292	75	275	464	198	310	516	270	800	150	340
Heroin (kg)	298	351	459	302	306	282	269	268	258	120	115
Methamphetamine (kg)	899	621	979	951	751	457	400	555	358	96	39
Arrests/Detentions Total	19,384	11,579	19,222	18,943	8,985	7,055	9,973	-	10,464	10,289	10,742
Nationals	19,120	11,493	19,076	18,763	8,822	6,930	9,784	-	10,261	10,034	10,572
Foreigners	264	86	146	180	163	125	189	-	203	255	170
Labs Destroyed	26	10	39	23	22	13	28	-	-	7	8

The PGR National Center for Analysis, Planning and Intelligence against Organized Crime (CENAPI) provided statistics on eradication, seizures and arrests. Data is as of October 25, 2007. Updates will be provided when received.

Nicaragua

I. Summary

Nicaragua is a sea and land trans-shipment route for South American cocaine and heroin trafficked to the United States. The Government of Nicaragua (GON) is making a determined effort to fight both domestic drug abuse and the international narcotics trade, despite an ineffectual, corrupt, and politicized judicial system. Nicaragua is a party to the 1988 UN Drug Convention.

II. Status of Country

Drug trafficking organizations take advantage of Nicaragua's geographic location along a key trafficking route to transport drugs by land, air, and sea to the United States. The Managua International Airport is also a trans-shipment point for drugs and smuggled currency. Law enforcement and military authorities have collaborated to seize notable amounts of drugs, despite limited material and technical resources. For example, as of November, they have seized 9.7 metric tons (MT) of cocaine and over \$6 million in the calendar year.

III. Country Actions Against Drugs in 2007

Policy Initiatives. In 2007, the National Assembly addressed some of the legal weaknesses in Nicaragua's efforts against money laundering and terrorism financing by proposing a new Penal Code, still being debated in the National Assembly. The new Code contains language establishing money laundering as a crime independent of drug trafficking, stiffer penalties, and terrorism financing as a crime. The Penal Code is expected to be fully approved and enacted in 2008. After a U.S.-sponsored press event highlighted Nicaragua's lack of a Financial Investigative Unit (FIU), the National Assembly resurrected a 2004 bill creating an independent FIU. As of December, however, the bill had still not been passed in the Assembly's Economic Committee.

In March 2007, the GON created a Vetted Unit within the Nicaraguan National Police (NNP). The unit, comprised of 18 NNP agents of diverse law enforcement backgrounds, training and experiences, is charged with conducting investigations of international drug trafficking and money laundering organizations operating in Nicaragua. It is expected to work closely with newly formed anti-corruption groups in the Attorney General's office, as well as with other anti-corruption units in the region.

Law Enforcement Efforts. During 2007, Nicaragua authorities were very successful in their enforcement operations, seizing over 13 MT of cocaine, 153 kg. of heroin, and arresting 192 individuals for international drug trafficking, including Nicaraguan, Colombian, Mexican, Guatemalan, and Honduran nationals. Nicaragua authorities seized a total of \$6,326,740 in currency being smuggled south (\$2,907,545 of it at the Peñas Blancas checkpoint on the Costa Rica-Nicaragua border), as well as \$965,010 seized at Managua International Airport.

The NNP also disrupted the operations of a Mexican drug trafficking organization in Nicaragua, which had been operating there since 2004. According to the NNP, the Sinaloa Cartel, had established air, land and maritime transportation cells and had been operating with impunity. With the seizure of over 5 tons of cocaine and the arrest of 25 members of the organization, the NNP was successful in disrupting the organization's maritime and air transportation cells.

Corruption. As a matter of policy, the GON does not encourage or facilitate the illicit production or distribution of narcotic or psychotropic drugs or other controlled substances, or the laundering of

proceeds from illegal drug transactions. However corruption is a pervasive and continuing problem in law enforcement and the judiciary.

In previous years, judges often let drug suspects go free after a short detention. Due to the rampant corruption in the Nicaraguan judiciary, the United States no longer provides foreign assistance to the Nicaraguan Supreme Court.

Agreements and Treaties. Nicaragua is a party to the 1961 UN Single Convention as amended by the 1972 Protocol, the 1971 UN Convention on Psychotropic Substances, and the 1988 UN Drug Convention. A U.S.-Nicaragua extradition treaty has been in effect since 1907. Nicaragua does not extradite its nationals, but will domestically prosecute nationals for crimes committed outside Nicaragua. Nicaragua's commitment to domestic prosecutions, however, has been inconsistent. Nicaragua is a member of the Caribbean Financial Action Task Force (CFATF), which plans to investigate the country's failure to comply with the requirements outlined in its most recent country report. The United States and Nicaragua signed a bilateral counternarcotics maritime agreement that entered into force in November 2001. Nicaragua is a party to the UN Convention against Transnational Organized Crime and its protocol on trafficking in persons and is a member of the Inter-American Drug Abuse Control Commission (CICAD) of the Organization of American States (OAS). Nicaragua is a party to the UN Convention against Corruption, the Inter-American Convention on Mutual Assistance in Criminal Matters, and the Inter-American Convention against Corruption and in 2001 signed the consensus agreement on establishing a mechanism to evaluate compliance with the Convention. Nicaragua also ratified the Inter-American Mutual Legal Assistance Convention in 2002, an agreement that facilitates sharing of legal information between countries. Nicaragua signed the Caribbean regional maritime counternarcotics agreement in 2003, but has not yet taken any action to bring it into force.

Cultivation/Production. Marijuana is cultivated in Nicaragua for domestic consumption. Exact cultivation figures are unknown.

Drug Flow/Transit. Nicaragua has a high volume of maritime smuggling on both its Pacific and Caribbean coasts, with increasing traffic on the Pacific coast in 2007. While the majority of the country's limited maritime interdiction assets are concentrated on the Caribbean coast, go-fast vessels are transiting the Pacific side of the entire Central American coast with multi-ton shipments of cocaine. During this calendar year, Nicaraguan authorities seized more than 1.5 metric tons of cocaine on the Atlantic side and nearly 4 MT on the Pacific. It is believed that the majority of large seizures made on land were successfully smuggled via maritime conveyances. Contraband shipments are generally smuggled north via the Pan-American Highway in hidden compartments and smuggled currency is transported south through Central America.

U.S. and Nicaraguan intelligence information suggests that the Managua International Airport is being utilized as a halfway staging area in the smuggling of contraband. Heroin and cocaine are transported into Nicaragua and are further transshipped from Nicaragua to the United States and Europe via the international airport. Currency is also being smuggled into Nicaragua via the International Airport. In 2007, the NNP seized over \$965,000 from a Mexican registered privately owned aircraft at the airport. Clandestine airstrips in remote areas of the country are frequently used by trafficking organizations. Nicaragua does not possess the capacity to detect or interdict suspect aircraft.

Domestic Programs (Demand Reduction). The D.A.R.E. (Drug Abuse Resistance Education) Program, established in Nicaragua in 2001, has now been translated into the Miskito language and is being implemented on the Atlantic coast. In 2007, the United States worked with the NNP's Department of Juvenile Affairs to launch a pilot effort for the Second Step (Segundo Paso) demand reduction/at-risk youth program which is designed for younger children. Drug consumption in Nicaragua remains a growing problem, particularly on the Atlantic coast, where the increase in

narcotics trans-shipment during recent years has generated a rise in local drug abuse. The Ministries of Education and Health, the NNP, and the Nicaraguan Fund for Children and Family (FONIF) have all undertaken limited demand reduction campaigns.

IV. U.S. Policy Initiatives and Programs.

Bilateral Cooperation. The U.S. continues to encourage Nicaragua in interdiction, as well as encouraging more fundamental challenges to corruption and money laundering. During 2007, the United States provided counternarcotics assistance to the NNP and start-up funding to the new National Police Vetted Unit, a unit that investigates international drug trafficking, corruption and money laundering. The USG continued support to the Nicaraguan Navy with refurbishment of three large naval boats and several smaller patrol boats for maritime interdiction on both the Atlantic and Pacific coasts. The USG also provided maritime law enforcement, small boat operations, maintenance and logistics, engineering and leadership training to the Nicaraguan Navy in 2007.

The Road Ahead. The USG hopes to continue its fruitful working relationship with the Nicaraguan military and law enforcement institutions. Nicaragua still needs anti-corruption reform, including professionalization and de-politicization of the judiciary and the Prosecutor General's office, and the passage and implementation of stronger statutes to combat corruption and money laundering.

Panama

I. Summary

Panama is a major drug transit country. Its geographic location, developed maritime and transportation infrastructure facilitate trans-shipment of illegal drugs from Colombia to the United States and Europe. While the Torrijos Administration has been dynamic in its cooperation with the U.S. on security and law enforcement issues it has been less vigorous in its cooperation with regional neighbors. Panama seized 60 metric tons of cocaine in 2007 – the highest amount in recent years. Panama is a party to the 1988 United Nations Drug Convention.

II. Status of Country

Panama is a major trans-shipment point for narcotics destined for the U.S. and other global markets. Traffickers exploit Panama's well-developed transportation infrastructure, such as containerized seaports, the Pan-American Highway, a rapidly growing international hub airport (Tocumen), numerous uncontrolled airfields, and relatively unguarded coastlines on both the Atlantic and Pacific. Smuggling of weapons and drugs continued in 2007, particularly between the isolated Darien region and Colombia. The Government of Panama (GOP) has staffed the U.S.-funded Guabala checkpoint (inaugurated in 2006) on the Pan-American Highway, but resources and high-level management have been lacking. The flow of illicit drugs has contributed to increasing domestic drug abuse, according to Panamanian authorities. Panama is not a significant producer of drugs or precursor chemicals. However, limited amounts of cannabis are cultivated for local consumption.

III. Country Actions Against Drugs in 2007

Policy Initiatives. The Torrijos Administration is publicly committed to counternarcotics and anticrime cooperation with the U.S. As a member state of the Central American Integration System (SICA), Panama participated actively in the U.S.-SICA security dialogue. A number of legislative initiatives have not been passed. These include a proposal to change the criminal justice system from a written (inquisitorial) to an oral (accusatorial) system. A 2006 proposal to merge the current National Air Service (SAN) and National Maritime Service (SMN) into a coast guard (based on the U.S. model) was also not introduced in the National Assembly. The GOP took limited steps to create a stand-alone border control service separate from the National Police (PNP). Also, the GOP took legislative action and disbanded the Technical Judicial Police (PTJ) and transferred most of its personnel to the National Police (PNP), with day-to-day control of major criminal investigations under the direction of prosecutors.

Accomplishments. In 2007, the GOP seized a record 60 metric tons (MT) of cocaine in collaboration with the U.S. Coast Guard. This included the largest on-record maritime seizure of cocaine, which was over 16 metric tons in March 2007. Several sensitive vetted units continue to operate with impressive results. The former head of the SMN was arrested and jailed on charges of corruption and illegal enrichment. In another high profile case, Colombian trafficker Jose Nelson Urrego Cardenas was arrested and his numerous properties confiscated.

Law Enforcement Efforts. In 2007, in addition to the 60 metric tons (MT) of cocaine, GOP authorities seized 96 kg of heroin, nearly 3.9 MT of marijuana, and made 207 arrests for international drug-related offenses. Several USG-supported GOP vetted units expanded operations in 2007. The joint Department of Homeland Security (DHS)-Department of Energy (DOE) Container Security Initiative (CSI) was launched in Panama in October. The primary mission of the CSI is to enhance global container security from the threat posed by high-risk shipments.

Corruption. As a matter of policy, no senior GOP official or the GOP encourages or facilitates the illicit production or distribution of narcotic or psychotropic drugs or other controlled substances, or the laundering of proceeds from illegal drug transactions. The National Anti-Corruption Commission, made strides in 2007 to address government corruption, including auditing government accounts and launching major investigations. A USG-funded “Culture of Lawfulness” program has trained officials from the Ministry of Education (MEDUCA), Private Schools Association, and the PNP on the importance of transparency, with courses taught in schools (early high school level) and in the PNP Academy.

Agreements and Treaties. Panama is a party to the 1988 UN Drug Convention, the 1961 UN Single Convention on Narcotics Drugs, as amended by the 1972 Protocol, and the 1971 UN Convention on Psychotropic Substances. A mutual legal assistance treaty and an extradition treaty are in force between the U.S. and Panama, although the Constitution does not permit extradition of Panamanian nationals. A Customs Mutual Assistance Agreement with Panama was signed on March 15, 1999. A stolen vehicles treaty is also in force. In 2002, the USG and GOP concluded a comprehensive maritime interdiction agreement. Panama has bilateral agreements on drug trafficking with the United Kingdom, Colombia, Mexico, Cuba, and Peru. In 2007, Panama signed the Global Initiative to Combat Nuclear Terrorism. Panama is a party to the UN Convention Against Transnational Organized Crime and its three protocols, and is a signatory to the UN Convention Against Corruption. Panama is a member of the OAS and is a party to the Inter-American Convention on Mutual Assistance in Criminal Matters and the Inter-American Convention Against Corruption. Panama is a member state of SICA and an active participant in the U.S.-SICA security dialogue.

Cultivation and Production. Cannabis cultivation in Panama is limited, and is mostly for domestic consumption.

Drug Flow/Transit. Drugs transit Panama via fishing vessels, cargo ships, small aircraft, and go-fast boats. Hundreds of abandoned or unmonitored legal airstrips are used by traffickers for refueling, pickups, and deliveries. Couriers transiting Panama by commercial air flights also moved cocaine and heroin to the U.S. and Europe during 2007. Limited manufacturing of synthetic drugs occurs in Panama for local consumption. The majority of synthetic drugs distributed in Panama are smuggled into the country via commercial aircraft (using couriers) originating from Europe.

Domestic Programs/Demand Reduction. In 2007, the GOP implemented the final part of its five-year counternarcotics strategy that included 29 demand reduction, drug education, and drug treatment projects, at a total cost of \$6.5 million to fund the projects during the five-year period. MEDUCA and CONAPRED, with USG support, promoted counternarcotics training for teachers, information programs, and supported the Ministry’s National Drug Information Center (CENAIID). The projects produced positive results such as the training of 250,000 students in drug prevention by the Ministry of Education.

IV. U.S. Policy Initiatives and Programs

Policy Initiatives. USG-supported programs focus on improving Panama’s ability to interdict, investigate, and prosecute illegal drug trafficking and other transnational crimes; strengthening Panama’s judicial system; assisting Panama to implement domestic demand reduction programs; encouraging the enactment and implementation of effective laws governing precursor chemicals and corruption; improving Panama’s border security; and ensuring strict enforcement of existing laws. INL, DHS, and USCG provided resources for modernization and upkeep of SMN and PNP vessels and bases, conducted maritime law enforcement training courses, and assisted the SAN with training personnel and maintaining key aircraft for interdiction efforts. In 2007, the USG provided training and operational tools to the multi-agency Tocumen Airport Drug Interdiction

Law Enforcement Team, including, DHS/CBP-provided training for personnel at Tocumen Airport and the Guabala checkpoint on the Pan-American Highway. INL supported a major law enforcement modernization initiative to professionalize PNP mid- and senior-level officers. The program focused on proven community policing tactics, expansion of existing crime analysis technology, and promotion of managerial change to allow greater autonomy and accountability. Work was completed on the initial phase of the National Crime Tracking and Mapping System (INCRIDEFA), which will enable the PNP to track criminal incidents in real time. INL also provided computers, office and other equipment, to the Attorney General's Anti-Corruption Prosecutor's Office.

Bilateral Cooperation. In 2007, the GOP continued to participate in joint counternarcotics operations with DEA and USCG, and worked to strengthen national law enforcement institutions with assistance from NAS. The maritime interdiction agreement has facilitated enhanced cooperation in interdiction efforts, with Panama playing a vital role in facilitating the transfer of prisoners and evidence to the U.S., enabling USG assets to remain on patrol in theater. In 2007, the Coast Guard's seizure of over 32 metric tons of cocaine was directly related to cooperative efforts executed under provisions of the counternarcotics bilateral agreement between Panama and the United States.

The Road Ahead. The USG will continue to encourage the Government of Panama to devote sufficient resources to its security forces to patrol land borders along Colombia and Costa Rica, its coastline, and the adjacent sea-lanes, and to increase the number of arrests and prosecutions of major violators, especially in the areas of corruption and money laundering. The USG will provide expertise and resources to assist the development of a new GOP Coast Guard, and a border control unit.

THE CARIBBEAN

The Bahamas

I. Summary

The Bahamas, a 700-mile-long archipelago off the eastern coast of the U.S., is a major transit point for cocaine from South America bound for both the U.S. and Europe, and for marijuana from Jamaica. Participating in Operation Bahamas, Turks and Caicos Island (OPBAT), the Government of the Commonwealth of The Bahamas (GCOB) cooperates closely with the USG to stop the flow of illegal drugs through its territory, to target Bahamian drug trafficking organizations, and to reduce the Bahamian domestic demand for drugs. In 2007, the Bahamian Parliament passed into law precursor chemical control legislation. The GCOB has increased funding to strengthen its interdiction capabilities in vulnerable regions of the country and the Royal Bahamas Police Force (RBPF) seized \$7.8 million in drug-related cash. The Bahamas is a party to the 1988 UN Drug Convention.

II. Status of Country

The Bahamas is an attractive country for transshipments of cocaine, marijuana and other illegal drugs because of its 700 islands and cays spread over an area the size of California astride maritime and aerial routes between South American drug producing countries and the United States. Cultivation of marijuana on remote islands and cays is of concern to Bahamian authorities, although there is no official estimate of the hectareage involved. The Bahamas is not a producer or transit point for drug precursor chemicals. In 2007, The Bahamas continued to participate in *Operation Bahamas and Turks and Caicos* (OPBAT)—a multi-agency international drug interdiction effort established in 1982 to stop the flow of cocaine and marijuana through The Bahamas to the U.S. In October 2007, U.S. Drug Enforcement Administration (DEA) personnel and air assets took over responsibility for the OPBAT base in George Town, Exuma following the withdrawal of U.S. Army helicopter support.

III. Country Actions Against Drugs in 2007

Policy Initiatives. In January 2007, the Bahamian Parliament passed into law precursor chemical control legislation and, in May, the GCOB approved funding for additional boats and one surveillance aircraft for the Royal Bahamas Defense Force (RBDF) to support its counternarcotics efforts. The government has plans to upgrade the RBDF base in Great Inagua, where maritime drug smugglers enter Bahamian territorial waters and to establish a new base in the Northern Bahamas. The GCOB and the Government of Haiti continue negotiations concerning the placement of Haitian National Police officers on Great Inagua Island to improve the collection of intelligence from Haitian sail freighters passing through Bahamian territorial waters.

Accomplishments. In 2007, the Drug Enforcement Unit (DEU) of the Royal Bahamas Police Force (RBPF) cooperated closely with U.S. and foreign law enforcement agencies on drug investigations. During 2007, including OPBAT seizures, Bahamian authorities seized 630 kilograms of cocaine and approximately 50.5 metric tons (MT) of marijuana. The DEU arrested 527 persons on drug-related offenses and seized \$7.8 million in cash, five vessels and an airplane.

Law Enforcement Efforts. To enhance the results of drug interdiction missions, the RBDF provided vetted officers to the DEU in 2007. The RBDF also agreed to position a DOD funded fast-boat in Great Inagua to provide OPBAT endgame capabilities. The DEA, in conjunction with the DEU and Bahamian Customs, initiated a program in Great Inagua to enforce GCOB requirements that vessels entering Bahamian territorial waters report to Bahamian Customs. During

2007, the RBDF assigned three ship-riders each month to Coast Guard cutters. The ship-riders extend the law enforcement capability of the U.S. Coast Guard into the territorial waters of The Bahamas. In October, the U.S. Army terminated its participation in OPBAT. The DEA replaced the U.S. Army at the base and is now responsible for carrying out OPBAT interdiction operations. During the year, OPBAT assets intercepted maritime drug smugglers detected by USG surveillance aircraft and on occasion, the Cuban Border Guard. The USCG provides assets for OPBAT, including three helicopters and approximately 100 personnel. The RBPF participated actively in OPBAT, and officers of DEU and the Royal Turks and Caicos Islands Police also flew on OPBAT missions, making arrests and seizures.

Corruption. As a matter of policy, the GCOB does not encourage or facilitate illicit production or distribution of narcotic or psychotropic drugs or other controlled substances, nor the laundering of proceeds from illegal drug transactions. No senior official in the GCOB was convicted of drug related offenses in 2007. The RBPF uses an internal committee to investigate allegations of corruption involving police officers instead of an independent entity.

Agreements and Treaties. The Bahamas is a party to the 1961 UN Single Convention, as amended by the 1972 Protocol; the 1971 Convention on Psychotropic Substances; the 1988 UN Drug Convention; the 1990 U.S.-Bahamas-Turks and Caicos Island Memorandum of Understanding concerning Cooperation in the Fight Against Illicit Trafficking of Narcotic Drugs; and the Inter American Convention against Trafficking in Illegal Firearms. The GCOB is also a party to the Inter-American Convention Against Corruption and on January 10, 2008, GCOB acceded to the UN Convention against Corruption. The U.S. and the Bahamas cooperate in law enforcement matters under an extradition treaty and a mutual legal assistance treaty (MLAT). The MLAT facilitates the bilateral exchange of information and evidence for use in criminal proceedings. There are currently 30 U.S. extraditions pending in the Bahamas. GCOB prosecutors pursue USG extradition requests vigorously. However, in the Bahamian justice system, defendants can appeal a magistrate's decision, first domestically, and ultimately, to the Privy Council in London. This process often adds years to an extradition procedure. The USG also has a Comprehensive Maritime Agreement (CMA) with The Bahamas, which went into effect in 2004 replacing a patchwork of disparate safety, security and law enforcement agreements. Among its provisions, the CMA permits cooperation in counternarcotics and migrant interdiction operations in and around Bahamian territorial waters, including the use of ship riders and expedited boarding approval and procedures.

Cultivation and Production. Although there are no official estimates of marijuana hectareage in the islands, cultivation of marijuana by Jamaicans is a continuing trend. The majority of marijuana seized in 2007 was in plant form grown by Jamaican nationals on remote islands and cays of the Bahamas. OPBAT and the RBPF cooperated in identifying, seizing and destroying the marijuana.

Drug Flow/Transit. Cocaine arrives in The Bahamas via go-fast boats, small commercial freighters, or small aircraft from Jamaica, Hispaniola and Venezuela. According to USG law enforcement, sport fishing vessels and pleasure crafts then transport cocaine from The Bahamas to Florida, blending into the legitimate vessel traffic that moves daily between these locations. Larger go-fast and sport fishing vessels transport between 2 to 6 MT marijuana shipments from Jamaica to The Bahamas. These shipments are then moved to Florida in the same manner as cocaine.

During 2007, law enforcement officials identified 34 suspicious go-fast boats in Bahamian waters. In addition, there were 12 suspected drug smuggling aircraft detected over Bahamian territory. Small amounts of drugs were found on individuals transiting through the international airports in Nassau and Grand Bahamas Island and the cruise ship ports. GCOB law enforcement officers have noted that Haitian traffickers are concealing their drugs in hidden compartments in wooden-hulled sailing freighters and Haitian criminal organizations are commingling drugs with illegal migrant

smuggling. Bahamian law enforcement officials also identified shipments of drugs in Haitian sloops and coastal freighters. Intelligence sources suspect multi-ton cocaine shipments to the Turks and Caicos Islands and The Bahamas from Venezuela and Colombia took place during the year. However, none of these shipments were successfully interdicted. Illegal drugs have also been found in transiting cargo containers stationed at the port container facility in Freeport. DEA/OPBAT estimates that there are a twelve to fifteen major Bahamian drug trafficking organizations.

Domestic Programs. The quasi-governmental National Drug Council coordinates the demand reduction programs of the various governmental entities such as Sandilands Rehabilitation Center, and of NGO's such as the Drug Action Service and The Bahamas Association for Social Health. The focus of the prevention/education program in 2007 was on schools and youth organizations, especially those located outside of New Providence Island.

IV. U.S. Policy Initiatives and Programs

Policy Initiatives. The goals of USG assistance to The Bahamas are to dismantle drug trafficking organizations, stem the flow of illegal drugs through The Bahamas to the United States, and strengthen Bahamian law enforcement and judicial institutions to make them more effective and self-sufficient in combating drug trafficking and money laundering.

Bilateral Cooperation. During 2007, INL funded training, equipment, travel and technical assistance for GCOB law enforcement and drug demand reduction officials; procured computer and other equipment to improve Bahamian law enforcement capacity to target trafficking organizations through better intelligence collection and more efficient interdiction operations; provided funding to the National Drug Council (NDC) so its staff could participate in a University of the West Indies on-line course in prevention and treatment of drug addiction; and funded a survey of drug use among individuals admitted into hospital emergency rooms. In FY 2007, the USCG provided resident, mobile and on the job training in maritime law enforcement, engineering and logistics, professional development, medical and seamanship to the RBDF.

Road Ahead. We encourage the Bahamian Government to continue its strong commitment to joint counternarcotics efforts and its cooperative efforts to extradite drug traffickers to the U.S. Standing up, staffing and funding its National Drug Secretariat will greatly assist GCOB efforts to implement its 2004 National Anti-Drug Plan. The Embassy is working with the GCOB to implement regulations banning wooden-hulled sailing freighters from Bahamian waters, most of which originate from ports in Haiti. These freighters are believed to play a key role in drug and migrant smuggling through The Bahamas. The GCOB can further enhance its drug control efforts by integrating Creole speakers into the DEU and by working with HNP officers to be stationed in Great Inagua to develop information on Haitian drug traffickers transiting the Bahamas. The USG will urge the GCOB to further integrate the RBDF into OPBAT by placing some of its marine assets acquired under the United States Southern Command's Enduring Friendship program in Freeport and Great Inagua to provide OPBAT end-game capabilities in these areas.

Cuba

I. Summary

Cuba is strategically located in the Caribbean between the United States and the drug producing countries of South America. Although Cuba is neither a significant consumer nor a producer of illegal drugs, its ports, territorial waters and airspace are susceptible to narcotics trafficking from source and transit countries. In 2007, the GOC continued “Operation Hatchett III,” a multi-force counternarcotics interdiction operation, and “Operation Popular Shield,” a nationwide counternarcotics public awareness campaign. Cuba also carried out some operations in coordination with the U.S. Coast Guard (USCG) Drug Interdiction Specialist (DIS) at the U.S. Interests Section (USINT) in Havana. Cuba is a party to the 1988 UN Drug Convention.

II. Status of Country

The GOC regularly detects and monitors suspect vessels and aircraft in its territorial waters and airspace. In cases likely to involve narcotics trafficking, it regularly provides detection information to the USCG. In addition to dedicating social service resources to improve prevention, the GOC also has the legal framework within its criminal justice system to prosecute and assign stiff penalties to narcotic users and traffickers.

According to Cuban statistics, Cuba’s internal drug consumption levels are among the lowest in the region. Lack of discretionary income and an overwhelming state police presence limits access to drugs by the Cuban population and contributes to the low incidence of drug consumption. In order to elude capture near Cuban territorial waters, international drug traffickers throw contraband from speedboats, providing the main source of supply to the local market. The GOC is active in regional drug control advocacy, but its interdiction capability is limited by a lack of resources necessary to upgrade its counternarcotic assets and technical equipment.

The USG has not been assured by the GOC that effective rules of engagement are in place to prevent the inappropriate use of deadly force during counternarcotics trafficking operations. In May, the leading Communist Party newspaper, *Granma*, declared that Cuba’s territorial waters would never be a safe corridor for traffickers. This statement came after a Cuban Border Guard patrol boat shot and killed two Bahamian drug traffickers. The GOC claims the drug smugglers rammed their vessel and were killed in self-defense during an exchange of gunfire.

III. Country Actions Against Drugs in 2007

Policy Initiatives. Prevention through education has become the key policy initiative to confront the drug problem in Cuba. In 2007, the GOC completed the third phase of its national study on drug abuse. The study was initiated in Havana Province and has expanded its scope to include two other provinces. Over 40,000 people between the ages of 12-45 were interviewed on past and recent drug use patterns. According to the GOC, the study concluded that less than one percent of the Cuban population had used drugs in their lifetime.

In 2007, Cuban authorities participated with regional partners in three counternarcotics courses offered by the United Kingdom and Canada. They included border security, financial fraud and synthetic drug use. They also coordinated, with the assistance of INTERPOL, a regional forensic narcotics program where instructors explained current practices in narcotics detection.

Accomplishments. Maritime drug seizures by Cuban authorities increased slightly during 2007, with the GOC reporting the seizure of 1.7 metric tons (MT) of illicit narcotics. In February, a Cuban Border Guard telex notification to the USCG resulted in the joint multinational interception

of a drug-laden aircraft destined for the Bahamas, the arrest of two traffickers and the seizure of 286 kilograms (kg) of marijuana. Cuban officials then deported Luis Hernando “Rasguno” Gomez-Bustamante a reputed Colombian drug kingpin, to Bogotá where he was later extradited to the United States to face trafficking charges. In April, Cuban Border Guard authorities intercepted a Bahamian drug smuggling vessel. The vessel carried 590 kg of marijuana and was Cuba’s largest single seizure of drugs in 2007. In June, Cuba investigated two suspect shipping containers at the port of Havana with the Assistance of USINT’s USCG DIS. The joint U.S.-Cuba container inspection was the first such operation of its kind and resulted in the seizure of 20 kg of cocaine.

An additional 811 kg (754 kg of marijuana and 57 kg of cocaine) were confiscated from washed-up contraband picked by the Cuban Border Guard troops and coastal watch stations. Special drug enforcement units of the Ministry of Interior and the General Customs Service detained 49 drug couriers (“mules”) representing 23 nationalities in a yearlong airport operation. Four cases of airport seizures netted 9 kg of cocaine. All four cases took place at Jose Marti International Airport in Havana. In almost all cases involving foreign tourists detected with narcotics for personal consumption, the individual is fined, and then allowed to continue his/her visit. Operation Popular Shield resulted in the final 18 kg of narcotics (13 kg of marijuana and 5 kg of cocaine) seized from Cuba’s domestic market. Since Operation Popular Shield began in 2003, the GOC has reported the detention of over 3,000 people, of whom 65 percent were sentenced to six or more years of imprisonment for trafficking drugs in the national market.

Law Enforcement Efforts. According to the Cuban Government, the Border Guard interdicts ninety percent of the drugs seized by Cuban law enforcement authorities. The GOC’s lead investigative law enforcement agency on drugs is the Ministry of Interior’s National Anti-Drug Directorate (DNA). The DNA is comprised of criminal law enforcement, intelligence and justice officials. Cuban Customs maintains an active counternarcotics inspection program in each of its international maritime shipping ports and airports.

Cuba’s “Operation Hatchet,” in its seventh year, is intended to disrupt maritime and air trafficking routes, recover washed-up narcotics, and deny drug smugglers shelter within the territory and waters of Cuba through vessel, aircraft and radar surveillance from the Ministry of Interior’s Border Guard and Ministry of the Revolutionary Armed Forces (Navy and Air Force). Operation Hatchet relies on shore-based patrols, visual and radar observation posts and the civilian fishing auxiliary force to report suspected contacts and contraband. In 2007, Cuban law enforcement authorities reported “real time” sighting of 39 suspect vessels (25 go-fast and 14 aircraft) transiting their airspace or territorial waters, an 18 percent increase over 33 suspect targets observed in 2006.

Corruption. As a matter of policy, the GOC does not encourage or facilitate the illicit production or distribution of narcotic or psychotropic drugs or other controlled substances, or the laundering of proceeds from illegal drug transactions. The U.S. Government does not have direct evidence of current narcotics-related corruption among senior GOC officials, although regular anecdotal reports of corruption throughout all levels of Cuban society and government continue to circulate. No mention of GOC complicity in narcotics trafficking or narcotics-related corruption was made in the media in 2007. It should be noted, however, that the media in Cuba is completely controlled by the state, which permits only laudatory press coverage of itself. Crime is almost never reported.

Agreements and Treaties. Cuba is a party to the 1961 UN Single Convention as amended by the 1972 Protocol, the 1971 UN Convention on Psychotropic Substances, and the 1988 UN Drug Convention. The GOC cooperates with the United Nations Office for Drug Control and Crime Prevention and maintains bilateral narcotics agreements with 32 countries and less formal memoranda of agreement with 2 others. Counternarcotics coordination between the U.S. and Cuba occurs only on a case-by-case basis. In an effort to demonstrate international collaboration, in 2003, Cuba inaugurated Havana’s Anti-Doping Lab to conduct test analysis for all international

sporting events. The World Anti-Doping Agency and the International Olympic Committee have certified this lab. Cuba is also an active participant in the annual Latin America and the Caribbean meetings for Heads of National Law Enforcement Agencies (HONLEA). Cuba is a party to the UN Convention against Corruption and the UN Convention against Transnational Organized Crime.

Cultivation/Production. Cuba's National Revolutionary Police and the National Association of Small Farmers acknowledge the smuggling of marijuana seeds into the country. In 2007, GOC seized 3,789 marijuana plants (up from 2,115 plants in 2006) and 5,330 marijuana seeds. Cuba is not a source of precursor chemicals, nor have there been any incidents involving precursor chemicals reported in 2007.

Drug Flow/Transit. Cuba's 4,000 small keys and the 3,500 nautical miles of shoreline provide drug traffickers with the ability to conduct clandestine smuggling operations. Traffickers use high-speed boats to bring drugs northward from Jamaica to the Bahamas, Haiti, and to the U.S. around the Windward Passage or small aircraft from clandestine airfields in Jamaica. Commercial vessels and containerized cargo that are loaded with drugs pose an increasing risk to Cuban ports. Mules continued to traffic small quantities of narcotics to and from Europe through Cuba's international airports.

Domestic Programs. The governing body for prevention, rehabilitation, and policy issues is the National Drug Commission (CND). This interagency coordinating body is headed by the Minister of Justice, and includes the Ministries of Interior, Foreign Relations, Public Health, and Public Education. Also represented on the commission are the Attorney General's Office and the National Sports Institute. There is a counternarcotics action plan that encompasses the Ministries of Health, Justice, Education and Interior, among others. In coordination with the United Nations, the CND aims to implement a long-term domestic prevention strategy that is included as part of the educational curriculum at all grade levels.

The majority of municipalities on the island have counternarcotics organizations. Prevention programs focus on education and outreach to groups most at risk of being introduced to illegal drug use. The GOC reports that there are 3 international drug dependency treatment centers and 198 community health facilities in Cuba consisting of family doctors, psychiatrists, psychologists, occupational therapists, and 150 social, educational and cultural programs dedicated to teaching drug prevention and offering rehabilitation programs.

IV. U.S. Policy Initiatives and Programs

Bilateral Cooperation. The U.S. has no counternarcotics bilateral agreements with Cuba and does not fund any GOC counternarcotics law enforcement initiatives. In the absence of normal bilateral relations, the USCG DIS officer assigned at the USINT Havana acts as the main conduit of anti-narcotics cooperation with the host country on a case-by-case basis. Cuban authorities have provided DIS more exposure to Cuban counternarcotics efforts, including providing investigative criminal information, such as the names of suspects and vessels; debriefings on drug trafficking cases; visits to the Cuban national canine training center and anti-doping laboratory in Havana; and access to meet with the Chiefs of Havana's INTERPOL and Customs office.

Road Ahead. U.S. counternarcotics efforts in Cuba face a number of obstacles. The current Cuban regime's long history of anti-Americanism in rhetoric and action has limited the scope for joint activity and made bilateral dealings always subject to political imperatives. Cuba's Drug Czar has raised the idea of greater counternarcotics cooperation with the USG. De facto Commander-in-Chief, Raul Castro has called for a bilateral agreement on narcotics, migration and terrorism during his de facto status as head of state. However, these approaches have not been offered with forthright or actionable proposals as to what the USG should expect from future Cuban

cooperation. The USG continues to encourage Cuba's full participation in regional interdiction efforts.

Dominican Republic

I. Summary

The Dominican Republic (DR) is a major transit country for cocaine and heroin from South America destined for U.S. and European markets. During 2007, the DR experienced an increase in air smuggling of cocaine out of Venezuela while maritime deliveries via go-fast boats and cargo containers continued. The Government of the DR (GODR) cooperated in extraditing fugitives and deporting criminals to the U.S. Seizures of heroin, cocaine and MDMA were consistent with 2006, while drug related arrests increased by over 60 percent in 2007. The DR made advances in its domestic law enforcement capacity, institution building and interagency networking; and continued modest progress in prosecuting major bank fraud and government corruption cases. In spite of these positive signs, corruption and weak governmental institutions remained a serious impediment to controlling the flow of illegal narcotics. The DR is a party to the 1988 UN Drug Convention.

II. Status of Country

Dominican criminal organizations are involved in international drug trafficking operations and use the DR as a trans-shipment hub. According to the U.S. Joint Interagency Task Force-South (JIATF-S), the number of drug smuggling flights from Venezuela to Hispaniola increased by 38 percent from 2006 to 2007. Approximately two thirds of the flights went to the DR. MDMA (Ecstasy) was most often interdicted enroute from Europe to the United States. The DR does not import or export a significant amount of ephedrine or any other precursor chemicals utilized in the manufacture of amphetamines or methamphetamines.

III. Country Actions Against Drugs in 2007

Policy Initiatives. The Financial Analysis Unit, which became operational in 2005, still lacks Egmont certification and the resources and institutional support to perform effectively. In 2007, despite assistance from the USG to train DR prosecutors and law enforcement officers in the conduct of money-laundering investigations, the GODR continued to struggle to implement anti-money laundering legislation passed in 2002. In 2006, the GODR signed the Cooperating Nations Information Exchange System agreement which allows the DR to receive information on suspected aerial and maritime drug trafficking. In November, the GODR signed an agreement with Haiti to fight jointly against drug trafficking and to increase law enforcement cooperation.

Accomplishments. In 2007, Dominican authorities seized approximately four metric tons of cocaine, 102.5 kilograms (kgs) of heroin, 17,902 units of MDMA, and 511.7 kgs of marijuana. In November, the National Drug Control Directorate (DNCD), in coordination with the Drug Enforcement Administration (DEA), interdicted an airdrop of drugs, seizing more than 220 kgs of cocaine. In December, the authorities seized 580 kg of cocaine inside a shipment of transmission fluid that originated in Maracaibo, Venezuela. The DNCD made 12,841 drug-related arrests in 2007. Of these, 12,510 were Dominican nationals and 331 were foreigners.

Law Enforcement Efforts. Maritime seizures remain a challenge for the DR, especially drugs hidden in commercial vessels for shipment to the U.S. and/or Europe and drugs arriving by “go-fast” boats from South America. The Dominican Navy received four high-speed interceptor boats under the U.S. Southern Command’s *Enduring Friendship* program to help counter the “go-fast” threat. However, they have not been put to effective use, in part due to fuel shortages. The DNCD and DEA counterparts cooperated on an investigation that led to the takedown in December of a trafficking organization linked to the FARC in Colombia that used small aircraft to deliver drugs to

the DR and Suriname. The takedown resulted in the arrest of 15 Colombians and the seizure of 191 kgs of cocaine.

In 2007, the DNCD continued to upgrade its equipment, train technicians, and develop new software in furtherance of a multi-year, USG-supported effort to share data among Dominican law enforcement agencies and to make information available on demand to field officers. The DEA executed a joint, interagency coordinated counternarcotics operation called “Rum Punch” with U.S. Mission agencies, the DNCD and other Dominican military branches focusing on the movement of drugs, money and chemicals between source zones and the United States. The operation included maritime and air assets from the U.S., British and Dominican militaries, integrated into one daily planning schedule. “Operation Rum Punch” improved coordination and understanding among and between the U.S. law enforcement community and Dominican counterparts. The operation also facilitated training and institution building, critical to the mission’s success.

Corruption. As a matter of policy, the GODR does not encourage or facilitate the illicit production, processing or distribution of narcotics, psychotropic drugs, and other controlled substances, nor does it contribute to drug-related money laundering. The GODR has made efforts to reduce the influence of narcotics traffickers in the judicial system. During the year, the Judiciary removed six judges for improper conduct, including the mishandling of drug trafficking cases. In October, former BANINTER bank president Ramon “Ramoncito” Baez Figueroa was sentenced to 10 years in prison and fined 2.5 million pesos (approximately \$75,000) for violating the General Banking Law (Law 708-65) and sections of the Monetary and Financial Law (Law 183-02). Former bank vice-president Marcos Baez Cocco was found guilty of the same offenses. Dual-national Dominican-American entrepreneur and economist Luis Alvarez Renta received the maximum 10 year sentence allowed under the money-laundering statute and was ordered to pay the maximum fine under that law.

The Attorney General conducted numerous corruption investigations in 2007 against Dominican officials, many of which resulted in arrests and/or dismissals. A financial disclosure law for senior appointed, civil service and elected officials has been implemented in the DR, but lack of auditing controls and sanctions weakened the effectiveness of this measure. With USG assistance, the Directorate for Prosecution of Corruption is establishing a reporting and tracking system for disclosed assets. The DR has enacted a Freedom of Information Act, but requests for information are not uniformly granted.

Agreements and Treaties. The DR is a party to the 1988 UN Drug Convention; the 1961 UN Single Convention as amended by the 1972 Protocol; the 1971 UN Convention on Psychotropic Substances; the UN Convention against Transnational Organized Crime; the UN Convention against Corruption; and the Inter-American Convention against Corruption. In 1985, the USG and the DR signed an agreement on international narcotics control cooperation. In May 2003, the Dominican Republic entered into three comprehensive bilateral agreements on Cooperation in Maritime Migration Law Enforcement, Maritime Counter-Drug Operations, and Search and Rescue, granting permanent over-flight provisions in all three agreements for the respective operations. The DR has signed, but not ratified, the Caribbean Regional Maritime Agreement. . The DR is not party to the OAS Mutual Legal Assistance Treaty and no bilateral mutual legal assistance treaty is in effect. Direct requests for judicial cooperation continue to be made through letters rogatory, but noticeable delays in compliance are routine. The DR is not party to a bilateral asset forfeiture agreement, nor is it party to any multilateral agreement that would permit the forfeiture of criminally obtained assets. The DR signed the Cooperating Nations Information Exchange System agreement in 2006.

Extradition. The U.S.-Dominican Extradition Treaty dates from 1909. Extradition of nationals is not mandated under the treaty, but, in 1998, President Leonel Fernandez signed legislation

permitting such extraditions. In 2005, judicial review was added to the procedure for extradition, making extraditions more transparent. During the year, the U.S. Marshals Service continued to receive excellent cooperation from the DNCD Fugitive Surveillance/Apprehension Unit and other relevant Dominican authorities in arresting fugitives and returning them to the United States to face justice. The DR extradited 20 Dominicans in 2007, and deported 12 U.S. and third-country national fugitives to the U.S. to face prosecution. Of these 32 cases, 14 were narcotics-related.

Cultivation/Production. There is no known cultivation of coca or opium poppy in the DR. Cannabis is grown on a small scale for local consumption.

Drug Flow/Transit. In 2007, the DNCD focused interdiction operations on the drug-transit routes in Dominican territorial waters along the southern border and on its land border crossings with Haiti, while attempting to prevent air drops and maritime delivery of illicit narcotics to remote areas. According to JIATF-S, there were 89 suspect drug flights from Venezuela in 2007 as compared to 75 flights in 2006. During the year, drugs were easily accessible for local consumption in most metropolitan areas. In October, U.S. Federal agents in New York arrested 18 people including 10 airline workers who were transporting cocaine, heroin and MDMA from suppliers in the Dominican Republic to the U.S. The drugs were hidden in luggage on international commercial flights from the DR.

Domestic Programs. In 2007, the DNCD conducted 267 sporting events and seminars that served as a platform to publicize the negative effects related to the use of narcotics and drugs. Approximately 300,000 Dominican youths participated in these events. The USG believes that the demand for narcotics in the Dominican Republic is increasing because narcotics are often used as a method of payment for transit. No official surveys regarding domestic drug use have ever been undertaken due to a lack of resources. A community-policing project initiated in 2006/7 with support from the U.S. Mission is targeting high-risk neighborhoods in Santo Domingo, in part to reduce drug demand and drug related crimes. The project has received great praise from community leaders and law enforcement officials who are seeking to expand it to other cities in the Dominican Republic.

IV. U.S. Policy Initiatives and Programs

Bilateral Cooperation. During 2007, the USG continued to provide equipment and training to maintain the drug and explosive detection canine units, support the DNCD's vetted special investigation unit, expand DNCD computer training, database expansion and systems maintenance support, improve the DNCD's capability to detect drugs smuggled through airports, and to enhance the DR's anti-money laundering capacity. The DEA Center for Drug Information (CDI), housed in the DNCD, hosted a two-day training session attended by fifty participants from twenty-seven countries.

The multi-agency International Drug Flow Prevention Strategy proposed by DEA was implemented by the Dominican Government in 2007. This strategy is designed to significantly disrupt the movement of drugs, money and chemicals between source zones and the U.S. In addition, DEA sponsored a basic drug enforcement seminar as well as training focused on interviewing and interrogation, vehicle and hidden compartment inspection, and undercover operations.

In 2007, the United States Coast Guard (USCG) participated in joint counternarcotics and illegal migrant operations, including a proof of concept operation using biometrics to identify and prosecute criminals transiting via maritime means between the Dominican Republic and Puerto Rico. In addition, the USCG held three subject-matter expert exchange conferences for the benefit of the Dominican Navy: the Annual Interoperability Conference aimed at improving coordination in maritime interdictions; the Caribbean Search and Rescue Conference focused to improve and

coordinate collaborative efforts of mutual search and rescue resources; and the International Shipping and Port Security Conference geared toward enhancing port security in the DR. The USCG also provided maritime law enforcement, leadership, engineering and maintenance, port security, and command and control training to the Dominican Navy.

The Law Enforcement Development Program, implemented by the Embassy's Narcotics Affairs Section, continued assisting the Dominican National Police (DNP) with reforms aimed at transforming it into a professional, civilian-oriented organization. Since the program was initiated in 2006, 6,300 police investigators and prosecutors have undergone training in basic crime scene investigation. Internal Affairs (IA) was also restructured and is operating efficiently. During 2006 and 2007, approximately 300 police officers were terminated for testing positive for drug use. IA investigators are conducting approximately 60-70 internal investigations monthly against police personnel engaged in improper conduct, which are then referred to the Chief of Police and/or Prosecutor General's office for disciplinary action. A community based policing project established in 13 high risk barrios in Santo Domingo has demonstrated positive trends in crime reduction in these neighborhoods. This project will be expanded to other cities in the Dominican Republic in 2008. National Police and Prosecutors continue to receive combined training, which promises to further enhance institutional cohesion. During the year, 364 prosecutors were trained in Basic Principles of Criminal Investigation, and Interviewing & Interrogation Techniques. In addition, 30 Prosecutors were trained in Basic Money Laundering Investigation Techniques.

In 2007, the Dominican chapter of the Business Alliance for Secure Commerce (BASC), a voluntary alliance of manufacturers, transport companies, and related private sector entities, continued to expand its training program and was cited by Customs and Border Patrol (CBP) officials as one of the most effective BASC chapters worldwide. BASC is a cooperative program between the private sector and national and international organizations to facilitate and promote world trade by establishing and administering global supply chain security standards and procedures. BASC Dominicana consists of 50 members representing over 40 businesses and 10 business associations. Currently 38 local businesses have been certified with projections of reaching 44 by the end of 2007. Their goal is to certify all the commercial service industry businesses connected with foreign trade.

USAID continued to provide assistance with strengthening the overall justice system, with a particular focus on effective implementation of the Criminal Procedures Code to ensure proper acquisition, storage and handling of evidence and adherence to time limits for prosecuting cases. USAID also assisted the National Institute for Forensic Sciences with improving procedures to secure and preserve evidence.

The Road Ahead. The USG will continue to help the DR to institutionalize judicial reform and good governance in furtherance of U.S. narcotics control strategy. The DR is working to build coherent counternarcotics programs that can resist the pressures of corruption and can address new challenges presented by innovative narcotics trafficking organizations. Money laundering will continue to be a priority, and the USG will provide prosecutors and police investigators the training necessary to help the DR conduct complex financial investigations. Anti-corruption efforts within the Law Enforcement Development Program will continue with a focus on special training for IA investigators. The DR will expand its community-policing program to additional neighborhoods in Santo Domingo and other cities in the Dominican Republic through the training of in-house National Police instructors in the concepts of community-based policing.

Dutch Caribbean

I. Summary

Aruba, the Netherlands Antilles, and the Netherlands together form the Kingdom of the Netherlands. The two Caribbean parts of the Kingdom have autonomy over their internal affairs, with the right to exercise independent decision making in a number of counter narcotics areas. The Government of the Netherlands (GON) is responsible for the defense and foreign affairs of all three of the Kingdom and assists the Government of Aruba (GOA) and the Government of the Netherlands Antilles (GONA) in their efforts to combat narcotics trafficking. Negotiations are underway that are expected to result in the dissolution of the Netherlands Antilles in 2008, with Curacao and Sint Maarten to attain autonomous status similar to Aruba's, while the islands of Bonaire and Saint Eustatius would become municipalities within the Kingdom of the Netherlands. Both Aruba and the Netherlands Antilles are active members of the Financial Action Task Force (FATF) and Caribbean Financial Action Task Force (CFATF) and are subject to the 1988 UN Drug Convention as part of the Kingdom of the Netherlands.

II. Status

Netherlands Antilles. The islands of the Netherlands Antilles (NA) (Curacao and Bonaire off Venezuela and Saba, Saint Eustatius, and Sint Maarten east of the U.S. Virgin Islands) continue to serve as northbound transshipment points for cocaine and increasing amounts of heroin coming from South America; chiefly Colombia, Venezuela, and to a much lesser extent, Suriname. Go-fast boats are typically used to transport drugs to U.S. territory in the Caribbean, although the use of fishing boats, freighters, and cruise ships is becoming more common. Direct transport to Europe, and at times to the U.S., is sometimes carried-out by “mules” (drug couriers) using commercial flights. The DEA and local law enforcement saw continued go-fast boat traffic this year with some load sizes reduced because of a potential exposure to law enforcement. This shift was attributed to successful investigations along with investments by the Antilles in border security like the new ground-based radar system capable of identifying inbound vessels. These shipments were generally en route to Puerto Rico or the U.S. Virgin Islands, but Sint Maarten continued to hold some measurable popularity among couriers as a gateway to Europe. In addition to go-fast boat activity and smuggling via commercial airlines, large quantities of narcotics continued to be moved through in cargo containers.

Sint Maarten's geographic location and its multi-national population make it an ideal transshipment point between South America and the United States, for drugs and human smuggling. Dutch Sint Maarten is considered a “Free Zone”, which means there are limited controls placed on import and export of goods. This situation also applies to financial crimes. The absence of rigorous checks into monetary flows means that money laundering and proceeds from illegal activities are relatively easy to conceal. Sint Maarten announced draft legislation to be presented to Parliament in 2008 that would extend the requirement to report suspicious financial transactions to include not only banks and casinos but car dealers, jewelers, insurance companies, lawyers and accountants as well. In preparation for its expected autonomous status, Sint Maarten established a Crime Action Task Force to enhance law enforcement efforts against drug trafficking, human smuggling and money laundering.

In Curacao, the crackdown at Curacao's Hato International Airport on “mules”—who either ingest or conceal on their bodies illegal drugs — continued during 2007. Detentions of mules declined from a high of 80 to 100 per day, to approximately 10 per month in 2007, according to local court statistics. The decline can be directly attributed to aggressive law enforcement tactics employed by

Antillean authorities, in conjunction with their Dutch partners, coupled with innovative legislative tactics like the confiscation of the passports of Antillean couriers.

During 2007, the newly appointed Police Chief in conjunction with the Minister of Justice made a concentrated effort to improve Criminal Intelligence by creating a new Operational Intelligence Unit within the Curacao Police Corps. This specialized Intel Unit improved the investigative effectiveness of the police and successful joint Antillean/Dutch investigations conducted by the Hit and Run Money Laundering Team (HARM) have become commonplace during 2007.

The specialized Dutch police units (RSTs) that support law enforcement in the NA continued to be effective in 2007. RST Curacao had its biggest success in a joint international money laundering operation named *Operation Kings Cross*, which focused on illegal activities within the Curacao Free Zone. This operation resulted in the seizure of \$120,000 in Euros and \$130,000 in U.S. Currency and the arrest of the principal target in the investigation. In another joint RST investigation named *Operation Pick Pocket* results included the seizure of 542 kilograms of cocaine, 10 kilograms of heroin, and the arrest of 61 individuals.

The Netherlands Antilles and Aruba Coast Guard (CGNAA) was responsible for several seizures of cocaine, heroin, and marijuana during 2007. In October, the CGNAA, in coordination with the RST Curacao seized approximately 35 kilograms and a go-fast vessel. The CGNAA's three cutters, outfitted with rigid-hull inflatable boats (RHIBs) and new 'super' RHIBs designed especially for counter narcotics work in the Caribbean, demonstrated their utility against go-fast boats and other targets.

The CGNAA has developed an effective counternarcotics intelligence service and is considered by the U.S. Coast Guard and DEA to be an invaluable international law enforcement partner. Under the continued leadership of the Attorney General, the GONA continued to strengthen its cooperation with U.S. law enforcement authorities throughout 2007. This cooperation extended to Sint Maarten, where the United States and the GONA continued joint efforts against international organized crime and drug trafficking.

The Dutch Navy also operates in the Netherlands Antilles under the auspices of Component Task Group 4.4 (CTG 4.4), which operates in international waters under the oversight of the Joint Inter Agency Task Force South (JIATF-S). Over the past two years, CTG 4.4 has become a close and essential ally of the DEA and other U.S. agencies. Their continual efforts to thwart drugs trafficking from the region have been noted at the highest levels of the DEA and U.S. government. Several notable seizures occurred during 2007. The most impressive effort was the tracking of a maritime vessel from Colombia, which culminated with the seizure of approximately 153 kilograms of heroin.

The GONA demonstrated its commitment to the counternarcotics effort by continued support for a U.S. Forward Operating Location (FOL) at the Curacao Hato International Airport. Under a ten-year use agreement, signed in March 2000 and ratified in October 2001 by the Dutch Parliament, U.S. military aircraft conduct counternarcotics detection and monitoring flights over both the source and transit zones from commercial ramp space provided free of charge.

Aruba. Aruba is a transshipment point for increasing quantities of heroin, and to a lesser extent cocaine that move north via cruise ships and the multiple daily flights to the U.S. and Europe. The island attracts drug traffickers because of its good infrastructure, excellent flight connections, and relatively light sentences for drug-related crimes served in prisons with relatively good living conditions.

While Aruba enjoys a low crime rate, crime reporting during 2007 indicates that prominent drug traffickers are established on the island. Drug abuse in Aruba, including among tourists, remains a cause for concern. Cruise lines that visit Aruba have strict boarding/search policies for employees

in order to thwart efforts of the traffickers to establish regular courier routes back to the United States. The expanding use of MDMA in clubs by young people attracts increasing attention. Private foundations on the island work on drug education and prevention and the Aruba government's top counter narcotics official actively reaches out to U.S. sources for materials to use in prevention programs. The police also work in demand reduction programs among local schools and visit them regularly. The GOA has established an interagency commission to develop plans and programs to discourage youth from trafficking between the Netherlands and the U.S. The GOA has been very clear that it intends to pursue a dynamic counternarcotics strategy in close cooperation with its regional and international partners.

In 2007, Aruba law enforcement officials continued to investigate and prosecute mid-level drug traffickers who supply drugs to "mules." During 2007, there were several instances where Aruban authorities cooperated with U.S. authorities to carry out U.S. prosecutions of American citizens arrested in Aruba who were attempting to carry multi-kilogram quantities of drugs to the United States. Aruba also devotes substantial time and effort to the identification of the person's responsible for the importation of drugs to Aruba.

The GOA hosts the Department of Homeland Security's (DHS) Bureau of Customs and Border Protection (CBP) pre-inspection and pre-clearance personnel at Reina Beatrix airport. These officers occupy facilities financed and built by the GOA. DHS seizures of cocaine and heroin were frequent in 2007. Aruba officials regularly explore ways to capitalize on the presence of the FOL and pre-clearance personnel, seeking to use resident U.S. law enforcement expertise to improve local law enforcement capabilities. In September, CBP's Office of International Affairs and Trade Relations provided training on the implementation of border enforcement best practices and the proper use of inspection tool kits in the examination of aircraft, containers, vehicles and cargo.

III. Actions Against Drugs in 2007

Accomplishments. Available drug seizure statistics for calendar year 2007, as of October 31, 2007, were: Aruba seized 390 kilograms of cocaine and 13 kilograms of heroin. The Netherlands Antilles seized 638 kilograms of cocaine and 10 kilograms of heroin.

Corruption. As a matter of policy, the NA does not encourage or facilitate the illicit production or distribution of narcotic or psychotropic drugs or other controlled substances, or the laundering of proceeds from illegal drug transactions. During 2007, the NA continued an aggressive and successful program to identify certain links from prominent traffickers in the region to law enforcement officials, which prompted additional investigation in the region. The NA has been quick to address these issues through criminal investigations, internal investigations, new hiring practices, and continued monitoring of law enforcement officials that hold sensitive positions. Aruba's judiciary enjoys a well-deserved reputation for integrity. It has close ties with the Dutch legal system, including extensive seconding of Dutch prosecutors and judges to fill positions for which there are no qualified candidates among the small Antillean and Aruban populations.

Agreements and Treaties. The Netherlands extended the 1988 UN Drug Convention to the NA and Aruba in March 1999, with the reservation that its obligations under certain provisions would only be applicable in so far as they were in accordance with NA and Aruba criminal legislation and policy on criminal matters. The NA and Aruba subsequently enacted revised, uniform legislation to resolve a lack of uniformity between the asset forfeiture laws of the NA and Aruba. The obligations of the Netherlands as a party to the 1961 UN Single Convention on Narcotic Drugs, as amended by the 1972 Protocol, the Inter-American Convention against Corruption, and the UN Convention against Transnational Organized Crime and its three protocols apply to the NA and Aruba. The obligations of the Netherlands under the 1971 UN Convention on Psychotropic Substances have applied to the NA since March 10, 1999. The Netherlands's Mutual Legal Assistance Treaty

(MLAT) with the United States applies to the NA and Aruba. Both Aruba and the NA routinely honor requests made under the MLAT and cooperate extensively with the United States on law enforcement matters at less formal levels.

Cultivation/Production. Cultivation and production of illicit drugs are not issues.

Domestic Programs (Demand Reduction). Both the NA and Aruba have ongoing demand reduction programs, but need additional resources. In 2007, the Curacao Police Corps, in conjunction with Drug Abuse Resistance Education program (D.A.R.E.), opened a new D.A.R.E. facility in Willemstad, Curacao to aid in youth Demand Reduction activities.

IV. U.S. Policy Initiatives and Programs

The United States encourages Aruba and NA law enforcement officials to participate in INL-funded regional training courses provided by U.S. agencies at the GOA and GONA's expense. Chiefly through the DEA and DHS/Immigration and Customs Enforcement, the United States is able to provide assistance to enhance technical capabilities as well as some targeted training. The U.S. continues to search for ways in which locally assigned U.S. law enforcement personnel can share their expertise with host country counterparts.

Appreciation of the importance of intelligence to effective law enforcement has grown in the Dutch Caribbean. The USG is expanding intelligence sharing with GOA and GONA officials as they realize the mutual benefits that result from such sharing. As U.S.-provided intelligence must meet the strict requirements of local law, sharing of intelligence and law enforcement information requires ongoing, extensive liaison work to bridge the difference between U.S. and Dutch-based law.

Road Ahead. Drug trafficking and related money laundering and criminal violence continue to threaten the Dutch Caribbean. The expansion of law enforcement cooperation between the U.S., Dutch, and Aruba and Netherlands Antilles will serve to protect the Dutch Caribbean from these threats and contribute to broader counternarcotics efforts in the Caribbean as well.

Eastern Caribbean

I. Summary

The seven Eastern Caribbean countries—Antigua and Barbuda, Barbados, Dominica, Grenada, St. Kitts and Nevis, St. Lucia, and St. Vincent and the Grenadines—are vulnerable to drug trafficking from South America to markets in the U.S. and Europe. Illicit narcotics transit the Eastern Caribbean mostly by sea, in small “go-fast” vessels, larger fishing vessels, yachts and freight carriers. There is little narcotics airdrop activity in the region. Recently there has been the increased trend of using sailing yachts to transport drugs from the Caribbean to Europe. Each of the countries has a bilateral maritime counternarcotics agreement with the U.S. The USG has provided a number of leadership, marine engineering and maintenance, and seamanship training courses to the Eastern Caribbean nations in FY2007. Additionally, the USCG continues to maintain a three-person Technical Assistance Field Team (TAFT) to provide technical/logistic support and coordinate all depot-level maintenance for over 40 maritime security vessels in the Eastern Caribbean. The seven Eastern Caribbean states are parties to the 1961 UN Single Convention as amended by the 1972 Protocol, the 1971 UN Convention on Psychotropic Substances, and the 1988 UN Drug Convention.

II. Status of Countries and Actions Against Drugs in 2007

Antigua and Barbuda. The islands of Antigua and Barbuda are transit points for cocaine moving from South America to the U.S. and European markets. Narcotics entering Antigua and Barbuda are transferred from go-fast boats, fishing vessels, or yachts to other go-fasts, powerboats or local fishing vessels for further movement. Secluded beaches and uncontrolled marinas provide opportunities to conduct these drug transfer operations. Marijuana cultivation in Antigua and Barbuda is not significant. Marijuana imported for domestic consumption primarily comes from St. Vincent.

According to the Government of Antigua and Barbuda (GOAB), approximately 60 percent of the cocaine that transits Antigua and Barbuda is destined for the United Kingdom, representing a 15 percent decrease from the previous year, while the amount transited to the United States increased from 15 to 25 percent between 2006 and 2007. Approximately 10 percent of the cocaine transiting Antigua and Barbuda is destined for St. Martin/Sint Maarten. There were no reports of production, transit or consumption of methamphetamines in Antigua and Barbuda. There is also no legislation that imposes specific recordkeeping on precursor chemicals.

Antigua and Barbuda is a party to the 1961 UN Single Convention as amended by the 1972 Protocol, the 1971 UN Convention on Psychotropic Substances, and the 1988 UN Drug Convention. The GOAB is a party to the Inter-American Convention against Corruption, the Inter-American Convention on Extradition, and the Inter-American Convention on Mutual Assistance in Criminal Matters, the Inter-American Convention against the Illicit Manufacturing of and Trafficking in Firearms, Ammunition, Explosives and Other Related Materials (Inter-American Firearms Convention), and the Inter-American Convention on Extradition. The GOAB is a party to the UN Convention against Corruption and the UN Convention against Transnational Organized Crime. There was no new narcotics-related legislation in 2007.

Through October 2007, GOAB forces seized 5.7 kilograms (kg) of cocaine and 464 kg of marijuana, arrested 134 persons on drug-related charges, and prosecuted six traffickers. There were five cannabis fields discovered in 2007 and the GOAB eradicated 9,394 plants. Antigua and Barbuda has both conviction-based and civil forfeiture legislation.

The police operate a Drug Abuse Resistance Education (D.A.R.E.) program, targeting youth between ages 10 and 12, and lecture church groups and other civic organizations on the dangers of drugs. Local organizations such as the Optimist Club and Project Hope conduct their own school programs or assist groups that work with drug addicts. There is one drug rehab center named Cross Roads Centre which offers treatment from two separate locations.

Barbados. Barbados is a transit country for cocaine and marijuana. There has been a general increase in drugs transiting Barbados since 2004. A notable trend encountered in 2007 was the use of employees working in key commercial transportation positions, e.g. baggage handlers, FedEx, DHL to assist with drug trafficking, and the emerging trend of having cocaine soaked into clothing to avoid detection. Most of the cannabis entering Barbados is consumed locally, while local consumption of cocaine represents only five percent of the amount thought to transit the island. There is legislation that imposes recordkeeping on precursor chemicals. There were no reports of production, transit or consumption of methamphetamines in Barbados. In 2007, Government of Barbados (GOB) agencies reported seizing 228.6 kg of cocaine and 4,194 kg of marijuana. There have not been any seizures of Ecstasy since 2005, when Barbados, for the first time, confiscated 2,445 Ecstasy tablets. The GOB brought drug charges against 242 persons during 2007 – a two thirds decrease from the number of arrests made in 2006. Four major drug traffickers were arrested during this period. Total reported drug charges in 2007 were significantly lower than the previous year. In 2007, the GOB eliminated 7,194 cannabis plants, almost triple the amount eliminated in 2006.

Barbados is party to the 1961 UN Single Convention as amended by the 1972 Protocol, the 1971 UN Convention on Psychotropic Substances, and the 1988 UN Drug Convention. Barbados has signed, but not ratified, the Inter-American Convention against Corruption, and is a party to the Inter-American Firearms Convention. Barbados has not signed the Inter-American Convention on Mutual Assistance in Criminal Matters or the Inter-American Convention on Extradition. The Mutual Assistance in Criminal Matters Act allows Barbados to provide mutual legal assistance to countries with which it has a bilateral mutual legal assistance treaty, Commonwealth countries, and states-parties to the 1988 UN Drug Convention. Barbados has an asset-sharing agreement with Canada. Barbados has signed but has not yet ratified the UN Convention against Transnational Organized Crime and its three protocols and the UN Convention against Corruption.

The GOB's National Council on Substance Abuse (NCSA) and various concerned NGOs, such as the National Committee for the Prevention of Alcoholism and Drug Dependency, are very active and effective. NCSA works closely with NGOs on prevention and education efforts and supports skills-training centers. NCSA sponsored a "Drugs Decisions" program in 45 primary schools and continued sponsoring prison drug and rehabilitation counseling initiatives. Barbados's excellent D.A.R.E. and Parents Resource Institute for Drug Education (P.R.I.D.E.) programs remained active throughout the school system. There is also a drug rehabilitation clinic now in operation.

Commonwealth of Dominica. Marijuana is cultivated in Dominica and the island serves as transshipment point for drugs headed to the U.S. and Europe. The Dominica Police regularly conduct eradication missions in rugged, mountainous areas. During the year, Dominican law enforcement agencies reported seizing 353 kg of cocaine and 181 kg of marijuana – down substantially from 2006. Dominica Police arrested 217 persons on drug-related charges, and prosecuted eight major drug traffickers. According to the Government of the Commonwealth of Dominica (GCOD) Police, most of the drugs that transit through Dominica are intended for foreign markets. Marijuana accounts for approximately 90 percent of all drug consumption on the island. There were no reports of production, transit or consumption of methamphetamines in Dominica.

The Ministry of Health and its National Drug Abuse Prevention Unit have been successful in establishing a series of community-based drug use prevention programs, including the Drug Abuse Resistance Education Program (D.A.R.E.).

Dominica is a party to the 1961 UN Single Convention, as amended by the 1972 Protocol, the 1971 UN Convention on Psychotropic Substances, and the 1988 UN Drug Convention. Dominica is a party to the Inter-American Convention on Mutual Assistance in Criminal Matters, the Inter-American Convention against Trafficking in Illegal Firearms, the Inter-American Convention against Firearms, the Inter-American Convention against Corruption, and Inter-American Convention against Terrorism.

Grenada. South American and Caribbean drug trafficker's transit through or stop in Grenada's coastal waters to transship cocaine and marijuana en route to U.S. and other markets. Marijuana remains the most widely used drug among Grenadian users. Marijuana is smuggled through Grenada from both St. Vincent and Jamaica. Local officials estimate about 75 percent remains on the island. The remaining 25 percent is destined for other markets, primarily Barbados and Trinidad. There is a small amount of marijuana cultivation in Grenada, primarily for local consumption. There are no drug processing labs in Grenada. According to the police, there were no signs of other drugs, such as methamphetamines transiting Grenada in 2007. However, the increase in violence and gang activity associated with the drug trade, including armed robbery and kidnapping reported in 2006 continues to cause concern. Petty crimes, including theft and break-ins for cash to pay for drugs, remain a problem.

The police drug squad continues to collaborate closely with Drug Enforcement Administration officials in the targeting and investigation of a local drug trafficking organization associated with South American and other Caribbean traffickers. From January through October 15, 2007, the police arrested 382 people on drug-related charges, 356 men and 26 women. Of those arrested, 375 were Grenadian, 2 were from St. Vincent and the Grenadines, 1 was from Trinidad & Tobago, 1 was from St. Kitts and Nevis, 1 was from Guyana, and 2 were from the United Kingdom. Two major drug traffickers were arrested during this period: Micheal (sic) "Sands" Levine, presently serving a three year sentence, and Garvin Patrice, out on bail.

For the year, Grenadian authorities reported seizing approximately 935.8 kg of cocaine, 9,824 marijuana plants, 260 kg of marijuana, and 1,686 marijuana cigarettes. Regular rural patrols contribute significantly to deterring cultivation of marijuana on the island on a major scale. Cultivation usually consists of around 50 or fewer plants in any one plot and is not measured in acreage. Approximately seven acres of marijuana were eradicated during the period.

Legislation was proposed in 2007 to amend the Drug Abuse (Prevention and Control) Act, to prevent the misuse of a controlled drug, to include pseudoephedrine and ephedrine. Still pending action since 2005, is a draft Precursor Chemical Bill to develop an institutional infrastructure to implement controls preventing the diversion of controlled chemical substances.

The Prevention of Corruption Act was passed by both houses of Parliament in March, but has not yet been published in the official gazette. There were no prosecutions of high-level government officials for corruption in 2007.

Grenada is a party to the 1961 UN Single Convention as amended by the 1972 Protocol, the 1971 UN Convention on Psychotropic Substances and the 1988 UN Drug Convention. Grenada also is a party to the Inter-American Convention against Corruption, Inter-American Convention against trafficking in Illegal Firearms, the Inter-American Convention against Firearms, the Inter-American Convention on Mutual Assistance in Criminal Matters, and Inter-American Convention against Terrorism. Grenada is a party to the UN Convention on Transnational Organized Crime and

its three protocols. An extradition treaty and a Mutual Legal Assistance Treaty (MLAT) are in force between the U.S. and Grenada.

There are a number of drug demand reduction programs available to the public through the National Drug Avoidance Committee. There are specific programs for students from the pre-primary level up to the college level, teachers, and adults (community outreach program). There is also a specific program targeting women. The sole drug-rehabilitation clinic in Grenada was destroyed by Hurricane Ivan in 2004. Some repairs were done on the building, but it suffered further structural damage in a major fire in 2006. Presently, the Rathdune Psychiatric Wing of the Mental Hospital provides limited rehabilitation services for “extreme cases”. The need for rehabilitation services outstrips capacity.

St. Kitts and Nevis. St. Kitts and Nevis is a transshipment point for cocaine from South America to the United States and the United Kingdom as well as to regional markets.

Trafficking organizations operating in St. Kitts are linked directly to South American traffickers, some of whom reportedly are residing in St. Kitts, and to other organized criminal organizations. Marijuana is grown for local consumption.

The Government of St. Kitts and Nevis (GOSKN) is party to the 1961 UN Single Convention as amended by the 1972 Protocol, the 1971 UN Convention on Psychotropic Substances, and the 1988 UN Drug Convention. St. Kitts and Nevis is a party to the Inter-American Convention against Corruption and the Inter-American Firearms Convention, but has not signed the Inter-American Convention on Extradition or the Inter-American Convention on Mutual Assistance in Criminal Matters. St. Kitts and Nevis is a party to the UN Convention against Transnational Organized Crime and its three protocols.

St. Kitts’ Police Drug Unit has been largely ineffective. Insufficient political will and the lack of complete independence for the police to operate are contributing factors. The GOSKN Defence Force augments police counternarcotics efforts, particularly in marijuana eradication operations. GOSKN officials reported seizing 29 grams of cocaine, and approximately 7.5 kg of marijuana from January through October 2007. There were no reports of production, transit or consumption of methamphetamines in St. Kitts or Nevis.

From January to October 2007, 105 arrests were made—almost double that of 2006. Most significant, however, was the increased eradication of marijuana plants from approximately 6,243 in 2005 and 31,000 in 2006 to 161,500 plants in 2007. According to the GOSKN, this figure does not represent an increase in cultivation, but rather an increase in eradication efforts.

Drug demand reduction programs are available to schools and the public. D.A.R.E., Operation Future and the National Drug Council also have programs to prevent drug abuse in SKN. There are no drug rehabilitation clinics in SKN and persons seeking such treatment are sent to St. Lucia.

St. Lucia. St. Lucia is a well-used transshipment site for cocaine from South America to the U.S. and Europe. Cocaine arrives in St. Lucia in go-fast boats, primarily from Venezuela, and is delivered over the beach or off-loaded to smaller local vessels for delivery along the island’s south or southwest coasts. Marijuana is imported from St. Vincent and the Grenadines and grown locally as well. Foreign and local narcotics traffickers are active in St. Lucia and have been known to stockpile cocaine and marijuana for onward shipment.

The Government of St. Lucia (GOSL) Police reported seizing 792.5 kg of cocaine in 2007, up from 50.7 kg in 2006. The GOSL also seized 793 kg of marijuana in 2007, up from 515.8 kg in 2006. The majority of arrests made island-wide are linked to the drug trade. In 2007, there were 376 arrests made for actual drug offences such as possession or trafficking of cannabis, cocaine and other drugs. However, no major drug traffickers were arrested in 2007. The GOSL eradicated

approximately 44,588 marijuana plants and 11,751 seedlings in 2007, which more than doubles the 2006 amount.

The USG and the GOSL cooperate extensively on law enforcement matters. St. Lucia law permits asset forfeiture after conviction. The law directs the forfeited proceeds to be applied to treatment, rehabilitation, education and preventive measures related to drug abuse. In 2005, the GOSL adopted wiretap legislation and is considering civil forfeiture legislation. It has also taken steps to strengthen its border controls and plans to automate its immigration control systems

St. Lucia is a party to the 1961 UN Single Convention as amended by the 1972 Protocol, the 1971 UN Convention on Psychotropic Substances, and the 1988 UN Drug Convention. The GOSL signed a maritime agreement with the USG in 1995 and an over-flight amendment to the maritime agreement in 1996. An MLAT and an extradition treaty are in force between St. Lucia and the United States. St. Lucia is a party to the Inter-American Convention against Trafficking in Illegal Firearms, the Inter-American Convention against Firearms, the Inter-American Convention against Corruption, the Inter-American Convention on Extradition, and Inter-American Convention against Terrorism. St. Lucia has signed but has not yet ratified the UN Convention against Transnational Organized Crime.

St. Lucia has instituted a centralized authority, the Substance Abuse Council Secretariat, to coordinate the government's national counternarcotics and substance abuse strategy. Various community groups, particularly the Police Public Relations Office, continue to be active in drug use prevention efforts, with a special focus on youth. St. Lucia offers drug treatment and rehabilitation at an in-patient facility known as *Turning Point*, run by the Ministry of Health, but it is currently under renovation. The St. Lucian Police reports that the D.A.R.E. Program has been tremendously successful.

St. Vincent and the Grenadines. St. Vincent and the Grenadines is the largest producer of marijuana in the Eastern Caribbean and the source for much of the marijuana used in that region. Extensive tracts are under intensive marijuana cultivation in the inaccessible northern half of St. Vincent. The illegal drug trade has infiltrated the economy of St. Vincent and the Grenadines, making some segments of the population dependent on marijuana production, trafficking and money laundering. However, total cultivation is not at the level which would designate St. Vincent and the Grenadines as a major drug-producer because it does not significantly affect the United States. Compressed marijuana is sent from St. Vincent and the Grenadines to neighboring islands via private vessels. St. Vincent and the Grenadines has also become a storage and transshipment point for narcotics, mostly cocaine, transferred from Trinidad and Tobago and South America on go-fast and inter-island cargo boats. Boats off-loading cocaine and weapons in St. Vincent and the Grenadines will return to their point of origin carrying marijuana.

For the year, Government of St. Vincent and the Grenadines (GOSVG) officials reported seizing 524.4 kg of cocaine, which doubled last year's figures, 397 cocaine rocks and 1,559.7 kgs of marijuana. GOSVG authorities arrested 335 persons on drug-related charges and convicted 257. There are 53 cases still pending, 3 cases dismissed and 19 cases under investigation. In 2007, one major drug (cocaine) trafficker—Charles Constance—was prosecuted and sentenced to prison on money laundering charges. During the year, approximately 614,135 (up from 34,831) marijuana plants on 90 acres were eradicated. More than 11 times the amount reported in 2006. The police, customs, and coast guard try to control the rugged terrain and territorial waters of St. Vincent and the chain of islands making up the Grenadines. There has been an increase in drugs transiting St. Vincent, mainly cocaine from Venezuela, and a prevalence of crack cocaine use in some communities.

The Caribbean market makes up approximately 45 percent of marijuana consumption from SVG, the U.S. 25 percent, UK 20 percent and Canada 10 percent. There is currently legislation on

precursor chemicals from various pharmaceuticals. There were no reports of production, transit or consumption of methamphetamines in St. Vincent and the Grenadines.

St. Vincent and the Grenadines is a party to the 1961 UN Single Convention as amended by the 1972 Protocol, the 1971 UN Convention on Psychotropic Substances, and the 1988 UN Drug Convention. The GOSVG is a party to the Inter-American Convention against Corruption, and has signed but not ratified the Inter-American against Trafficking in Illegal Firearms, the Inter-American Convention against Firearms, and Inter-American Convention against Terrorism. The GOSVG has signed but not yet ratified the UN Convention against Transnational Organized Crime and its protocols on trafficking in persons and migrant smuggling. The GOSVG signed a maritime agreement with the USG in 1995, but it has not yet signed an over-flight amendment to the maritime agreement. An extradition treaty and an MLAT are currently in effect between the U.S. and the GOSVG. USG law enforcement officials received good cooperation from the GOSVG in 2006. In the past, St. Vincent Police has been cooperative in executing search warrants pursuant to U.S. MLATs.

A statute-mandated advisory council on drug abuse and prevention has been largely inactive for several years. A draft national counternarcotics plan remains pending. The government mental hospital provides drug detoxification services. The family life curriculum in the schools includes drug prevention education and selected schools continue to receive the excellent police-run D.A.R.E. Program. The OAS is assisting the GOSVG develop a drug demand reduction program for St. Vincent's prison.

Road Ahead. U.S. assistance will continue to focus on enhancing the capacity of Eastern Caribbean law enforcement to counter drug trafficking and related crimes such as money laundering, arms trafficking and corruption.

French Caribbean

I. Summary

French Guiana, Martinique, Guadeloupe, the French side of Saint Martin, and St. Barthelemy are all overseas departments of France and therefore subject to French law, and all international conventions signed by France, including the 1988 United Nations Drug Convention. The French Judiciary Police, Gendarmerie, and Customs Service play a major role in narcotics law enforcement in France's overseas departments, just as they do in the rest of France. Cocaine moves through the French Caribbean and from French Guiana to Europe and to a lesser extent, to the United States. France is a party to the 1988 UN Drug Convention.

II. Status

The Martinique Task Force, created in 2006, in response to an increase in the trafficking of cocaine coming directly to France from the French Caribbean, intercepted over ten metric tons of cocaine headed for France in 2007. The task force is a multilateral cooperative effort that brings together French, Spanish, Colombian, U.S. and British law enforcement officials to promote coordinated operations against trafficking. French Customs also takes an active part in the undertakings of the Caribbean Customs Law Enforcement Council (C.C.L.E.C), which was established in the early 1970s to improve the level of cooperation and exchange of information between its members in the Caribbean.

In 2007, C.C.L.E.C. broadened its scope to include training programs, technical assistance and other projects. A three-day Enforcement Liaison Workshop, organized jointly by CCLEC and French Customs in Martinique February 12-15, was geared towards preparing for the increased flow of persons and goods during the period of the Cricket World Cup 2007. All of the French Islands now use or have access to the CCLEC Regional Clearance System, an automated system for the reporting of private vessel clearances within the region.

III. Actions Against Drugs in 2007

During the year important drug seizures included the April 20 operation led by the Gendarmerie and police officials in Saint Martin, which led to the discovery of 574 cannabis plants. Four people were arrested and the plants were destroyed shortly after by the Gendarmerie. On August 8, French customs officials seized close to 900 kg of cocaine on board a sailboat in the south of Martinique estimated to be worth approximately 35 million euros (approximately \$48.2 million). After intercepting the sailboat, French coastal authorities escorted it to port in southern Martinique where customs officials found the cocaine concealed in sports bags. The two occupants on board the boat were arrested.

Agreements and Treaties. In addition to the agreements and treaties discussed in the report on France, United States and French counternarcotics cooperation in the Caribbean is enhanced by a 1997 multilateral Caribbean Customs Mutual Assistance Agreement that provides for information sharing to enforce customs laws and prevent smuggling, including those relating to drug trafficking. The assignment of a French Navy liaison officer to the U.S. Joint Interagency Task Force-South at Key West, Florida, continued to enhance law enforcement cooperation in the Caribbean. In 2007, France joined the U.S., Jamaica and Belize in signing and ratifying the Dutch-sponsored Caribbean Maritime Agreement (formally the "Accord Concerning the Cooperation in Suppressing Illicit Maritime and Aeronautical Trafficking in Drugs and Psychotropic Substances in the Caribbean Region") originally negotiated in 2003. However, the agreement has yet to enter into force because it lacks the requisite number of ratifications. In 2006, France, along with 11 other

nations became a signatory to the “Paramaribo Declaration” at a conference in Suriname. This agreement established an intelligence sharing network, to coordinate and execute drug sting operations among countries and to address money laundering.

Bilateral and Multilateral Cooperation. The French Inter-ministerial Drug Control Training Center (CIFAD) in Fort-de-France, Martinique offers training in French, Spanish and English to law enforcement officials in the Caribbean and Central and South America, covering subjects as money laundering, precursor chemicals, mutual legal assistance, international legal cooperation, coast guard training, customs valuation and drug control in airports. CIFAD coordinates its training activities with the United Nations Office on Drugs and Crime (UNODC), Organization of American States/CICAD, and individual donor nations. U.S. Customs officials periodically provide training at the CIFAD. French Customs is also co-funding with the Organization of American States (OAS), on a regular basis, training seminars aimed at Customs and Coast Guard Officers from OAS member states. The French Navy also now hosts “Operation Carib Royale” – a French Eastern Caribbean counternarcotics operation, which Joint Interagency Task Force South supports with available air and marine assets.

France supports European Union initiatives to increase counternarcotics assistance to the Caribbean. The EU and its member-states, the United States and other individual and multilateral donors are coordinating their assistance programs closely in the region through bilateral and multilateral discussions. The GOF participates actively in the Caribbean Financial Action Task Force (CFATF) as a cooperating and support nation (COSUN).

Guyana

I. Summary

Guyana is a transit point for cocaine destined for North America, Europe, and the Caribbean, but not in quantities sufficient to impact the U.S. market. In 2007, domestic seizures of cocaine were three times higher than the previous year due to improved counternarcotics measures at the working level, although all but one of these seizures were minor in scale. The Government of Guyana (GOG) laid the groundwork for an enhanced security sector by agreeing to a reform program sponsored by the British government; it also arrested Terrence Sugrim, an accused drug trafficker wanted by the U.S., and initiated the extradition process.

More than two years after launching its National Drug Strategy Master Plan (NDSMP) for 2005-2009, the GOG has not effectively implemented it. Cooperation among law enforcement bodies is fragmented and minimally productive; weak border controls and limited resources for law enforcement allow drug traffickers to move shipments via river, air, and land without meaningful resistance. Guyana is a party to the 1988 UN Drug Convention.

II. Status of Country

Guyana is a transit country for cocaine, and to a lesser degree marijuana. Guyana's vast expanse of unpopulated forest and savannahs offers ample cover for drug traffickers and smugglers. Government counternarcotics efforts are undermined by inadequate resources for law enforcement, poor coordination among law enforcement agencies, an inefficient judiciary, and a colonial-era legal system badly in need of modernization. Murders, kidnappings, and other violent crimes commonly believed to be linked with narcotics trafficking are regularly reported in the Guyanese media. Guyana produces high-grade cannabis and is not known to produce, trade, or transit precursor chemicals on a large scale.

III. Country Actions Against Drugs in 2007

Policy Initiatives. In 2007, the GOG signed a Memorandum of Understanding (MOU) with Great Britain to implement a \$5 million, multi-year program for reform of the security sector, which includes enhancing the investigative capacity of law enforcement agencies. The GOG requested and received \$500,000 in U.S. Department of Defense funds to refurbish its only seaworthy Coast Guard vessel, to patrol its 285-mile coastline. Guyana commenced issuance of machine-readable passports, in accordance with the International Civil Aviation Organization's (ICAO) standards, which will help thwart the use of identity fraud and cross-border criminal activities. The government has tabled legislation that would augment the tools currently available to it in fighting money laundering, including regulations to allow for the seizure of assets; the chances for its passage are unclear.

The positive steps of 2007, notwithstanding, the GOG has accomplished few of the principal goals laid out in its ambitious 2005 NDSMP. The Joint Intelligence Coordination Center (JICC), the formation of which was a central element of the 2005 NDSMP, is defunct. In its place, a task force covering narcotics and illegal weapons has been assembled by the Minister for Home Affairs and meets monthly, but there remains limited productive interaction or intelligence sharing among the organizations involved.

Law Enforcement Efforts. Despite the lack of adequate resources, poor inter-agency coordination, and allegations of corruption, 2007 saw modest improvements in enforcement at the working level. In 2007, Guyanese law enforcement agencies seized 167 kilograms (kgs) of cocaine,

a nearly threefold increase over the amount seized in 2006, but mostly due to one large seizure. In May, the Customs Anti-Narcotics Unit (CANU) seized 106 kgs of cocaine hidden in dried fish glue at a home near Georgetown, and arrested four men in connection with the operation; one of these individuals was sentenced in November to ten years in prison and fined \$1.2 million. In July, police arrested Terrence Sugrim, an accused drug trafficker who had been indicted in New York federal court a few weeks earlier; he is appealing his possible extradition to the U.S.

Guyana's counternarcotics activities are encumbered by the peculiarities of a British colonial-era legal system that has not been updated to reflect the needs of modern-day law enforcement. There are no laws that support plea bargaining, wiretapping, or the use of DNA evidence. Nor are there laws against racketeering or conspiracy. Even when more contemporary crime fighting tools are available to one law enforcement body, they are not necessarily available to others. At Guyana's international airport, for example, the Guyana Revenue Authority (GRA) operates surveillance cameras to help thwart tax fraud. But the cameras are not well-placed to aid counternarcotics operations, video footage is not shared with narcotics authorities and it is not clear that it would be admissible in drug-related court proceedings. In all cases, law enforcement agencies are hamstrung by meager personnel budgets. There are no routine patrols of the numerous land entry points on the 1,800 miles of border with Venezuela, Brazil, and Suriname.

The GOG has not identified or confronted major drug traffickers and their organizations. While the Guyana Police Force (GPF) Narcotics Branch and CANU arrested dozens of drug couriers at Guyana's international airport en route to the Caribbean, North America, and Europe, the arrests were limited to individuals with small amounts of marijuana, crack cocaine or powder cocaine, usually on charges of possession for the purpose of trafficking.

Corruption. There is no evidence that the GOG or senior GOG officials encourage or facilitate the illicit production, processing, shipment or distribution of narcotic or psychotropic drugs or other controlled substances, or the laundering of proceeds from illegal drug transactions. News media routinely report on instances of corruption reaching to high levels of government that are not investigated and thus go unpunished, but no conclusive evidence is available to back up these claims. USG analysts believe drug trafficking organizations in Guyana continue to elude law enforcement agencies through bribes and coercion, but substantiating information is anecdotal at best. Guyana is party to the Inter-American Convention Against Corruption (IACAC), but has yet to fully implement its provisions, such as seizure of property obtained through corruption. Guyana is not a party to the UN Convention against Corruption.

Agreements and Treaties. Guyana is party to the 1961 UN Single Convention, as amended by the 1972 Protocol, the 1971 UN Convention on Psychotropic Substances, and the 1988 UN Drug Convention. Guyana also is a party to the UN Convention against Transnational Organized Crime and its protocol on trafficking in persons and the Inter American Convention against Corruption. The 1931 Extradition Treaty between the United States and the United Kingdom is applicable to the U.S. and Guyana, but there is no bilateral mutual legal assistance treaty between the U.S. and Guyana. In March 2006, Guyana signed the OAS Mutual Legal Assistance Treaty, to which the U.S. is a party; assistance has also been regularly provided on an informal basis. Guyana signed a bilateral agreement with the U.S. on maritime counternarcotics cooperation in 2001; however, it has not yet taken the necessary domestic actions to bring the agreement into force. Guyana has bilateral agreements to cooperate on drug trafficking issues with its neighbors and with the United Kingdom. Guyana is also a member of the Organization of American States' Inter-American Drug Abuse Control Commission (OAS/CICAD).

Cultivation and Production. A very high-grade form of cannabis is grown in Guyana, primarily in the intermediate savannahs, and its cultivation is reportedly increasing. In 2007, Guyanese authorities eradicated 15,280 kilograms of cannabis.

Drug Flow/Transit. There are no reliable estimates regarding the amount of cocaine or cannabis that transits Guyana. According to USG law enforcement authorities, Guyanese narcotics traffickers regularly move shipments of cocaine through the country. Some cannabis cultivated in Guyana is also smuggled out of the country, although in more modest quantities. Drugs flow easily through Guyana's uncontrolled borders and coastline. Light aircraft land at numerous isolated airstrips or make airdrops where operatives on the ground retrieve the drugs. Smugglers use small boats and freighters to enter Guyana's many remote but navigable rivers. Smugglers also take direct routes, such as driving or boating across the borders with Brazil, Suriname, and Venezuela.

Inside the country, narcotics are transported to Georgetown by road, water, or air and then sent on to the Caribbean, North America, or Europe via commercial air carriers or cargo ships. Authorities have arrested drug mules attempting to smuggle small amounts of cocaine on virtually every northbound route out of the international airport. In 2007 there was a surge in law enforcement seizures at the airport of suitcases carrying drugs that had been added to the baggage queue after check-in, and tagged in the names of unsuspecting passengers. Police officials also witnessed a notable upward trend in the use of the Guyana Post Office as an avenue for the trafficking of cocaine in small quantities, further demonstrating the malleable tactics of trafficking organizations.

Demand Reduction (Domestic Programs). Marijuana is sold and consumed openly in Guyana, despite frequent arrests for possessing small amounts of cannabis. Sources within the GOG and a local NGO note that consumption of all psychotropic substances in Guyana is increasing, with a particularly dramatic rise in the use of Ecstasy (MDMA). Marijuana use has been seen among children as young as eleven years old. Guyana's ability to deal with drug abusers is hampered by the modest financial resources to support rehabilitation programs. Guyana only has two facilities that treat substance abuse—the Salvation Army and the Phoenix Recovery Center. There are no programs to deal with substance abuse in the prisons.

IV. U.S. Policy Initiatives and Programs

Policy Initiatives. U.S. policy focuses on cooperating with Guyana's law enforcement agencies, promoting good governance, and facilitating demand reduction programs. In 2007, the USG continued to encourage Guyanese participation in bilateral and multilateral counternarcotics initiatives, and funded a substance abuse treatment program for women (the two previously existing programs in Guyana only funded treatment for men). The U.S. Agency for International Development (USAID) is funding projects to improve governance in Guyana, which includes parliamentary and judicial reform.

Bilateral Cooperation. The DEA works with Guyana's government and law enforcement agencies to provide training and develop initiatives that will enhance their counternarcotics activities. The GOG routinely grants diplomatic credentials to DEA officers who cover Guyana from the U.S. Embassy in Trinidad, and working level collaboration is generally positive. In 2007, the USCG provided maritime law enforcement training to the Guyana Defense Force.

The Road Ahead. Neither the GOG nor the various drug enforcement bodies of the U.S. have dedicated the resources to determine the quantity of illegal drugs flowing through Guyana. All projections are speculative based on the few seizures made. In the absence of both sound data and more robust DEA/INL involvement, the U.S. will not augment resources for investigation and interdiction in Guyana. Instead, it will continue to channel any future assistance to initiatives that demonstrate success in treating substance abusers. The U.S. will also continue to use its diplomatic tools to encourage the GOG to organize an effective counternarcotics program, especially within the context of the British-funded overhaul of the security sector. The GOG also needs to pass effective legislation to deal with money laundering, including provisions allowing forfeiture of seized assets.

Haiti

I. Summary

Haiti is a major transit country for cocaine and marijuana from South America and the Caribbean respectively. In 2007, air smuggling of narcotics to Haiti from Venezuela increased by 38 percent. The Preval Administration continued the struggle to overcome pervasive corruption, weak governance and mismanagement. Haiti's law enforcement institutions are weak and its judicial system dysfunctional. With the support of the United Nations Stabilization Mission in Haiti (MINUSTAH), the Haitian National Police (HNP) conducted a successful campaign in the Port-au-Prince area to disrupt gang elements involved in kidnapping, drug trafficking, and intimidation. Although the campaign decreased criminal activity in those areas, the Government of Haiti (GOH) has yet to deliver the sustained police presence needed to curb the gangs' criminal activity. The GOH with assistance from international donors – principally MINUSTAH, the United States and Canada – continues to promote the restoration of the rule of law. The HNP, with the support of MINUSTAH, completed the first year of its reform plan, which includes a vetting and certification process for all officers, and reform of institutional elements including the General Administration Department and Logistics Bureau. The HNP's counternarcotics unit carried out operations during the year that resulted in limited seizures of drugs. Haiti is a party to the 1988 UN Drug Convention.

II. Status of Country

Haiti is a major drug transit country. Haiti's 1,125 miles of unprotected shoreline, uncontrolled seaports, numerous clandestine airstrips, along with a struggling police force, dysfunctional judiciary system, corruption, and weak democracy make it an attractive strategic point for drug traffickers. Cocaine and, to a lesser extent, marijuana are trafficked through Haiti to the United States and, in smaller quantities, to Canada and Europe. In addition to being shipped directly to the United States, drugs brought into Haiti also are moved overland into the Dominican Republic for onward delivery to the U.S. and Europe. Following a 167 percent spike in suspected drug smuggling flights from Venezuela to Hispaniola in 2006, flights decreased temporarily, primarily as a result of the joint DEA-HNP Operation *Rum Punch*. Launched in March, *Rum Punch* involved the deployment of USG air assets to Haiti teamed with maritime assets operating south of Hispaniola for three months. However, following that operation, the flights resumed and Haiti experienced a 38 percent increase in drug smuggling flights in 2007, as reported by the U.S. Joint Interagency Task Force–South (JIATF-S).

III. Country Actions Against Drugs in 2007

During 2007, the HNP trained 901 new recruits (782 men and 119 women), and 243 existing officers. In November, the HNP graduated a class of 646 new officers, including 86 women. The new officers are assigned to the Motorized Intervention Brigade (BIM) with primary duties to introduce community policing and to patrol the slum areas of the capital. The Academy training now consists of 24 weeks of basic police tactics, less-than-lethal tactics, community policing, weapons training, search and evidence gathering techniques, ethics, human rights, and gender and children's issues. In 2006, the HNP and MINUSTAH agreed upon a reform plan to create a police force of 14,000 trained and vetted officers within five years. The report on the first year of the plan's implementation released in September revealed progress on training of both new and experienced officers, development of standard operating procedures, continued emphasis of vetting, and improved capacity in criminal investigative techniques among specialized units. Since January, MINUSTAH military troops, United Nations Police (UNPOL), MINUSTAH Formed

Police Units, and HNP officers have made progress in dismantling gangs that support drug trafficking and kidnapping.

In November, the GOH formally approved the terms of reference and work plan for a USG-funded project to enhance the effectiveness of GOH anti-money laundering and anti-corruption efforts. The project will provide mentoring on the investigation and prosecution of financial crimes by U.S. Treasury advisers and will involve the restructuring the GOH Central Financial Intelligence Unit (French acronym UCREF) by separating its investigative and intelligence gathering functions.

In April 2007, the Center for Information and Joint Coordination (French acronym CICC), under the Ministry of Interior, became fully operational. The Center is tasked with conducting investigations, research, data collection, information sharing and international and regional coordination related to drug trafficking in/through Haiti. It has 26 staff personnel assigned, including 16 investigators. It has established the Anti-Drug Task Force consisting of all the agencies within the GOH that deal with aspects of drug trafficking, money laundering, border control and law enforcement. It is also working to establish greater bilateral cooperation with the Dominican Republic, signing a joint agreement in November to fight drug trafficking and other crimes.

Law Enforcement Efforts. The HNP counternarcotics unit (French acronym BLTS) with support from the USG, continued canine detection operations at the airport inspection baggage and cargo areas in 2007. DEA-provided air assets working with JIATF-S air and maritime assets assisted the GOH in stopping air deliveries to Haiti. Through October 10, 2007, 914 kilos of cocaine and marijuana were seized.

The Special Investigative Unit (SIU), a partnership between DEA and the GOH, became operational in 2007. Selected HNP officers, graduates of a five-week course at the Drug Enforcement Academy in Quantico, Virginia, formed the nucleus of the SIU and are charged with investigating Haitian drug organizations that have a nexus to the United States. The unit has conducted several joint interdiction operations with DEA/FBI/JIATF-S and Customs Border Protection (CBP). The SIU is currently the only fully vetted unit in the HNP.

The HCG conducted drug and migrant interdiction operations from its bases in Port-au-Prince and Cap Haitien during the year. The HCG has one 40-foot vessel and one 35-foot go-fast boat in Cap Haitien for patrol and port security operations. In FY07, the HCG successfully interdicted more than one thousand Haitian migrants aboard vessels that departed the north coast. The HCG in Cap Haitien provided information on three vessels that contained illegal drugs or tested positive in ion-scanning by the U.S. Coast Guard (USCG). Additionally, the HCG in Port-au-Prince partnered with the HNP BLTS to board a Colombian-flagged freighter aground near Miragoane on Haiti's South Claw. However, the HCG struggles maintain an operational fleet. The lack of funding and fuel shortages remain significant barriers to the ability of the HCG to conduct maritime operations.

Corruption. As a matter of policy, the GOH does not encourage or facilitate the shipment of narcotics through Haiti, and does not discourage the investigation or prosecution of such acts. Moreover, the GOH has demonstrated willingness to undertake law enforcement and legal measures to prevent, investigate, prosecute, and punish public corruption. President Preval has publicly identified the fights against corruption and drug trafficking as major priorities for his administration. Vetting has taken place in some of the northern and southern areas and among certain ranks in Port-au-Prince and will be further expanded in the capital area, where the majority of police officers are assigned. In 2007, the HNP Director General dismissed 600 officers for misconduct or being absent without leave, although many remain on the payroll. The HNP Director of Administration and Director of Logistics were both removed from their positions in 2007 for suspected corruption. The Prosecutor of Port-au-Prince has made several high-profile arrests of private citizens on corruption charges, but has not yet extended that campaign to the public sector.

Agreements and Treaties. Haiti is a party to the 1961 Single Convention as amended by the 1972 Protocol; the 1988 UN Drug Convention; the Inter-American Convention Against Corruption; and the Inter American Convention against Trafficking in illegal firearms. A U.S.-Haiti maritime counternarcotics agreement entered into force in 2002. Haiti has signed but not ratified the UN Convention against Corruption, the Caribbean Regional Maritime Agreement and the UN Convention against Transnational Organized Crime). There is no bilateral mutual legal assistance treaty between the U.S. and Haiti. Requests for assistance historically have been made through letters rogatory but there have been no formal requests for assistance in years.

Extradition. Haiti and the U.S. are parties to an extradition treaty that entered into force in 1905. Although the Haitian Constitution prohibits the extradition of its nationals, in the past Haitians under indictment in the U.S. have been returned to the U.S. by non-extradition means. The SIU has spearheaded efforts to transfer both Haitian and non-Haitian nationals wanted in the United States for drug trafficking to the U.S., in keeping with President Preval's desire to stem drug trafficking through Haiti. During 2007, nine Haitian fugitives were sent to the U.S., including ex-HNP officer Raynald Saint-Pierre, wanted out of the Southern District of Florida on drugs and money laundering charges

Cultivation/Production. There is evidence that cultivation of marijuana has increased, although it is low quality cannabis grown on a small scale and sold locally. The BLTS destroyed five hectares of marijuana but, due to lack of resources, is often unable to respond to tips about marijuana growing fields.

Drug flow/transit. In 2007, traffickers continued to use small aircraft to make offshore air drops of illegal drugs as well as land deliveries using clandestine airstrips. At least 29 such landing strips were identified in 2007. Suspect drug flights from Venezuela increased by 38 percent compared to 2006. Fast boats transporting cocaine from South America arrive at a number of locations on the southern coast of Haiti. The cocaine is then transported overland to Port-au-Prince where it is frequently concealed on cargo and coastal freighters destined for the United States and Europe. Marijuana is shipped via fast boats from Jamaica to waiting Haitian fishing vessels and cargo freighters to seaports along Haiti's southern coast. It is then shipped directly to the continental United States or transshipped through the Dominican Republic or Puerto Rico. Seizures of very small quantities of crack for personal use also occurred in 2007. The BLTS also experienced an increase in amphetamine trafficking near the end of 2007, due to a crackdown in the Dominican Republic that has disrupted the distribution routes to Europe. The appearance of crack and the smuggling of amphetamines are new phenomena in Haiti for which the authorities have little training or experience. Pharmacies in Haiti are essentially unregulated, and some controlled medications are sold in quantities through those businesses as well.

Demand Reduction. Drug abuse is a growing but largely unrecognized problem in Haiti. Increased use of marijuana in schools has been reported, leading to increased levels of local production.

IV. U.S. Policy Initiatives and Programs

Policy Initiatives. The cornerstone of USG efforts to combat drug trafficking in Haiti continues to focus on reform of the HNP. In cooperation with MINUSTAH, the USG provided substantial equipment and technical assistance in 2007, aimed at transforming the HNP into an effective law enforcement institution. The NAS coordinated the procurement of vehicles, radios, forensic lab and other technical equipment for the HNP, police academy and in-service training, support for specialized HNP units and material support to the HCG. The USG contributed 50 officers to MINUSTAH's UNPOL contingent, many of whom are involved in training recruits at the HNP academy. The police advisers also oversaw the construction of two model police stations in Croix des Bouquets and Thiotte and the continued installation of solar-powered radio base stations for the

HNP throughout the country. The USG also is contributing three corrections experts to form the nucleus of a sixteen-member UN team that works on improving the infrastructure and management of Haiti's prison system. A U.S. senior corrections advisor will also oversee the refurbishment and equipping of certain prison facilities as well as the training of correction personnel to improve the detainees living conditions. In addition, the USG has provided an adviser to help the HNP Director General implement anti-corruption and strategic planning measures. Advisers from U.S. Treasury's Office of Technical Assistance (OTA) visited Haiti three times in 2007, in order to review cases of financial crimes with prosecutors and judges and to discuss the investigative process and training requirements for financial investigators. USCG Mobile Training Teams supported HCG operations with maritime law enforcement, port security, engineering, logistics and maintenance training in 2007. The USCG is currently retrofitting three vessels, a 47-foot patrol boat and two "Eduardono" fast boats at USCG Integrated Support Command Miami. It is USCG's hope that HCG will place the 47-foot patrol boat in Cap Haitien for future drug and migrant operations on the northern coast of Haiti.

Road Ahead. Haiti needs to continue the reform and expansion of the HNP and its judicial system as prerequisites for effective counternarcotics operations throughout the country. The GOH must demonstrate the political will to fight corruption within state institutions and to overcome the under-resourcing and under-staffing of the HNP, problems which remain major impediments to sustained progress. More importantly, the restoration of the rule of law, including reform of the judicial system, must continue in order to provide the security and stability Haiti needs to meet the economic, social and political development needs of the Haitian people.

Jamaica

I. Summary

Jamaica is a major drug transit country and the Caribbean's largest producer of marijuana and marijuana derivative products. In 2007, cooperation between Government of Jamaica (GOJ) and U.S. Government (USG) law enforcement agencies remained strong resulting in drug seizures, arrest of drug-traffickers, and disruption of their organizations in Jamaica. The ambitious legislative agenda initiated in 2007 only resulted in the passage and implementation of the Proceeds of Crime Act and the new Anti-trafficking law. Despite numerous well-documented corruption scandals, there were no prosecutions of high level officials. New Prime Minister Bruce Golding has promised various security initiatives, such as a consolidated anti-corruption National Investigative and Intelligence Agency (NIIA) to tackle Jamaica's pervasive public corruption. Jamaica is a party to the 1988 United Nations Drug Convention.

II. Status of Country

Jamaica is a major drug transit country, due to its difficult to patrol coastline, over 100 unmonitored airstrips, busy commercial and cruise ports, and convenient air connections. Jamaica remains the Caribbean's largest producer and exporter of marijuana and marijuana derivative products. Consumption of cocaine, heroin, and marijuana is illegal in Jamaica, with marijuana most frequently abused, and consumption of cocaine rising. Ironically, the possession and use of Ecstasy (MDMA) is controlled by Jamaica's Food and Drug Act and is currently subject to light non-criminal penalties. In 2007, an increase in murder and other violent crime coupled with a thriving "guns for ganja" trade between Jamaica and its neighbors, that was abetted by systemic corruption within the police, customs service, and judicial system, continued to tax an already over burdened law enforcement and judicial system.

III. Country Actions Against Drugs in 2007

Policy Initiatives/Accomplishments. In 2007, the GOJ continued to pursue, but did not pass key security and counternarcotics legislative and policy initiatives introduced in 2006. These included the use and collection of DNA evidence, port security and establishment of a new anti-corruption agency. In May, the GOJ passed and began implementation of the Proceeds of Crime Act, an anti-money laundering law, which provides the GOJ a more expeditious seizure and forfeiture process.

The GOJ did not implement initiatives to criminalize the manufacture, sale, transport, and possession of Ecstasy (MDMA), methamphetamine, or the precursor chemicals used to produce them. The GOJ also did not enact the initiative to permit extended data-sharing between U.S. and Jamaican law enforcement on money laundering cases through the Financial Investigative Division (FID) Act. Additionally, the GOJ's national forensics laboratory has a backlog of cases due to understaffing and lack of resources. Jamaica is not in full compliance with the Egmont Group requirements.

The USG Container Security and MegaPorts (CSI) initiative began in late 2006. However, the GOJ has not yet provided a permanent facility for U.S. officers and their Jamaican counterparts, thus inhibiting their ability to jointly combat contraband cargo and drug-trafficking through Kingston's commercial port. Additionally, pervasive corruption at this port continues to undermine the CSI team's efficacy.

Law Enforcement Efforts. In 2007, the Jamaica Defense Force (JDF), Air Wing and Coast Guard (JDFCG) were involved in maritime interdiction efforts, and participated in the DEA-led regional

operation “All Inclusive.” Also, the JDF, Jamaica Constabulary Force (JCF) and Financial Investigations Division (FID) worked closely with the USG to investigate drug and money laundering organizations that move transit payments through Jamaica back to source countries and launder local profits from the sale of marijuana and weapons. While hampered by internal corruption and a lack of sufficient resources, the JCF and JDF continued to give priority to counternarcotics missions in 2007. Nonetheless cannabis seizures decreased by 8 percent, to 41.4 metric tons (MT), compared to 2006, and cocaine seizures went from 109 kilograms (kg) in 2006 to 98 kg in 2007. The GOJ seized 98.21 kg of cocaine in 2007, as compared to 109 kg seized in 2006.

In 2007, little progress was made on many of the important reforms outlined in the 2005-2008 Corporate Strategy for Reform. Nearly all the gains made in 2006 to control crime and improve community policing were lost in 2007, as the police struggled to contain violent crime. In December 2007, the JCF’s new Commissioner of Police Hardley Lewin took office. Commissioner Lewin has a mandate for reform, and if the GOJ supports his efforts, 2008 should see an improvement in JCF operations.

In early 2007, the GOJ extradited drug kingpin Leebert Ramcharam to the U.S. Extradition is pending appeal on six other major drug traffickers.

Operation Kingfish, a multinational task force (GOJ, U.S., United Kingdom and Canada) celebrated its third anniversary in 2007. The GOJ has pledged to continue participating in “Operation Kingfish,” and reinvigorate its activities particularly against the “guns for ganja” trade and extortion. In 2007, Operation Kingfish mounted 864 operations, compared to 870 in 2006.

In 2007, the Jamaican Custom’s Contraband Enforcement Team (CET) seized 6.54 kg of cocaine and 1103 kgs of cannabis at Jamaican air and seaports. However, the CET remains understaffed and ill equipped to combat effectively the ever-complex methods of smuggling illicit drugs in commercial goods. The GOJ has failed to focus sufficient resources on the CET, even though container traffic through the seaports is believed the primary method of transshipment of cocaine and cannabis.

Corruption. No senior GOJ officials, nor the GOJ as a matter of policy, encourage or facilitate the illicit production or distribution of narcotic or psychotropic drugs or other controlled substances, or the laundering of proceeds from illegal drug transactions. However, pervasive public corruption continues to undermine efforts against drug-related and other crimes, and plays a major role in the safe passage of drugs and drug proceeds through Jamaica. Corruption remains a major barrier to improving counternarcotics efforts. High profile corruption scandals plagued the GOJ throughout 2007, but there were no prosecutions of high-level officials for corruption, or of officials linked by reliable evidence to drug-related activity.

The JDF investigates any reports of corruption, and takes disciplinary action when warranted in furtherance of its zero tolerance policy. There was no action in 2007 on proposed revisions to the Corruption Prevention Act, granting Jamaica’s Commission for the Prevention of Corruption greater authority and making Jamaica’s legislation consistent with its commitments under the Inter-American Convention against Corruption. However, the new government has announced plans to revive and redraft the legislation to create a national anti-corruption agency (NIIA), an initiative of its predecessor, which could satisfy the Convention’s requirements. Draft legislation for the creation of an Anti-Corruption Special Prosecutor should be presented to Parliament by January 2008.

In mid-2007, the JCF established a new Anti-Corruption Division headed by an internationally recruited police officer. This new Division should be operational with a fully vetted team of

investigators early in 2008. Once active, it will continue working on pending cases, and launch investigations against known, corrupt high-ranking police officers.

Agreements and Treaties. The extradition treaty between the USG and the GOJ has been actively used, with the vast majority of cases involving requests to Jamaica. Jamaica and the U.S. have a Mutual Legal Assistance Treaty (MLAT) in place, which assisted in evidence sharing. The U.S. and Jamaica have a reciprocal asset sharing agreement, and a bilateral law enforcement agreement governing cooperation on stopping the flow of illegal drugs by maritime means. Jamaica is a party to the Inter-American Convention on Mutual Legal Assistance in Criminal Matters. The GOJ signed, but has not ratified, the Caribbean Regional Maritime Counterdrug Agreement. Jamaica is a party to the 1988 UN Drug Convention, the 1972 UN Convention on Psychotropic Substances and the 1961 UN Single Convention as amended by the 1972 Protocol. Jamaica is also a party to the UN Convention against Transnational Organized Crime and its three protocols, and the Inter-American Convention against Corruption.

Cultivation/Production. According to the UN World Drug Report, Jamaica is the Caribbean's largest producer and exporter of marijuana but exact cultivation levels are unknown due to a lack of crop surveys. Marijuana is grown mostly in smaller plots in hilly and rocky terrain and along the tributaries of the Black River in Saint Elizabeth which for most parts is inaccessible to vehicular traffic. Eradication of marijuana continued an upward trend in 2007 with 701 hectares eliminated, compared to 524 in 2006. Jamaica uses manual eradication without the use of herbicides. The GOJ does not have any alternative development or crop substitution programs. In August, Hurricane Dean struck Jamaica, damaging much of its legitimate agricultural crop. Many farmers, left with little or no assistance to replant, resorted to cultivating marijuana instead.

Drug Flow/Transit. In 2007, cocaine smugglers continued the trend first observed in 2006 to use container cargo transshipments or sea drops that are then brought on shore for smuggling via checked luggage, couriers, and in commercial shipments to move cocaine through Jamaica to the United States. In addition, as interdiction efforts intensified at the airports in 2007, smugglers began welding to the hulls of commercial ships sealed metal containers packed with compressed marijuana. With 113 unmonitored landing strips/fields, the potential to also use land drops remains high. A trend that began in late 2006, whereby marijuana-traffickers bartered cocaine for illegal weapons, continued in 2007. To combat this trade, the GOJ created a special cell within Operation Kingfish called "Musketeer."

Domestic Programs/Demand Reduction. Jamaica has several demand reduction programs, including the Ministry of Health's National Council on Drug Abuse, which receives U.S. funding. The GOJ operates five treatment centers through the Ministry of Health. In 2007, a university-level certificate program in drug addiction and drug prevention was launched. The program was developed by GOJ in conjunction with the Organization of American States Inter-American Drug Abuse Control Commission (CICAD). The United Nations Office Drug Control (UNODC) works directly with the GOJ and NGOs on demand reduction; however, due to limited resources these programs have little impact.

IV. U.S. Policy Initiatives and Programs

Bilateral Cooperation. There is robust cooperation between U.S. and GOJ officials. In 2007, the U.S. provided training and material support to elements of the JCF and JDF to strengthen their counternarcotics capabilities and promote greater bilateral cooperation. The Jamaica Fugitive Apprehension Team (JFAT) received specialized training, equipment, guidance and operational support from the U.S. Marshals permanently stationed in Kingston. The U.S. Marshals report that, in 2007, there were 48 open cases and they closed 63 cases regarding U.S. fugitives. In 2007, there were 8 arrests, 10 extraditions and 2 deportations.

The GOJ participated in joint deployments with the USG in Jamaican waters during 2007 under the auspices of “Operation Riptide,” which allow both nations to conduct law enforcement operations within each other’s maritime zones and is authorized under the Joint Jamaica-United States Maritime Cooperation Agreement. The JDF also continued to work with the USG’s Joint Interagency Task Force-South (JIATF-S) in 2007 to disrupt maritime trafficking. JDF and JCF elements participated in the DEA-led regional exercise “All-Inclusive”. JDF Coast Guard personnel participated in a number of maritime law enforcement, seamanship and specialized technical resident courses in the U.S. in 2007.

Multi-lateral Cooperation. In mid-2007, the USG-funded, Kingston-based Airport Interdiction Task Force began operations. This multi-nation (GOJ, U.S., United Kingdom and Canada) Task Force combats narcotics and arms smuggling, human trafficking, and immigration fraud. The U.S. continues to support the Mini-Dublin Group, and reinvigorated cooperation with the UK and Canada to prevent duplication of efforts and ensure the most effective use of our combined counternarcotics resources.

The Road Ahead. Implementation of new reforms within the GOJ’s Ministry of National Security will contribute greatly to the fight against drug trafficking. To prevent Jamaica from becoming a full-fledged kleptocracy, the GOJ must investigate, prosecute and convict corrupt officials at all levels of government service. This will require organizations such as the Anti-Corruption Unit and the FID, as well as the proposed NIIA, the Anti-Corruption Special Prosecutor, to be independent, fully resourced, and backed by political will. The government must also make a commitment to implement the reform recommendations of the Ministry of National Security’s Strategic Review of the Jamaica Constabulary Force to ensure a professional non-corrupt organization. Finally, the GOJ needs to take action to begin the task of attacking endemic corruption throughout its customs and revenue service.

In 2008, the U.S. will continue to work with our international partners to assist the GOJ with tackling corruption. The USG will ensure the most effective use of our foreign assistance expenditures on operational equipment for the GOJ, thereby ensuring more uniform provisioning of JCF and JDF units. GOJ plans to push passage and implementation of the FID Act, which would make Jamaica eligible for Egmont membership and enable the USG to intensify information sharing.

Suriname

I. Summary

The Government of Suriname's (GOS) inability to control its borders, inadequate resources, limited law enforcement training, lack of a law enforcement presence in the interior of the country, and lack of aircraft or patrol boats allow traffickers to move drug shipments via land, sea, river, and air with little resistance. South American cocaine transits Suriname en route to Europe, Africa, and, to a lesser extent, the United States. In 2007 there were no major drug seizures in Suriname, but the GOS continued its efforts to eliminate major local narcotics organizations. The GOS continued forging cooperation agreements with other countries, regionally and internationally, in order to reduce the import and export of illicit narcotics. Suriname is a party to the 1988 UN Drug Convention but has not implemented legislation regarding precursor chemical control provisions to bring itself into full conformity with the Convention.

II. Status of Country

The lack of resources, limited law enforcement capabilities, inadequate legislation, drug-related corruption of the police, courts and military, a complicated and time-consuming bureaucracy, and overburdened and under-resourced courts inhibit the GOS's ability to identify, apprehend, and prosecute narcotic traffickers. Cocaine from South America, destined primarily for Europe, Africa, and, to a lesser extent, the United States is transshipped through Suriname. Suriname's sparsely populated coastal region and isolated jungle interior, together with weak border controls and infrastructure, make narcotics detection and interdiction efforts difficult. Intelligence analysis has indicated a movement of drug traffickers utilizing very remote locations for delivery and securing of narcotics. Additionally, the GOS is unable to detect the diversion of precursor chemicals for drug production, as it has no legislation controlling precursor chemicals and no tracking system to monitor them.

III. Country Actions Against Drugs in 2007

Policy Initiatives. The National Anti-Drug Council and its Executive Office coordinate implementation of the National Drugs Master Plan (2006-2010) that covers both supply and demand reduction and includes calls for new legislation to control precursor chemicals. In 2007, national support was broadened by involving NGOs and civil society in the implementation of the plan. The participatory approach was institutionalized by incorporating NGOs and civil society – the Business Association, religious groups, treatment centers—in the National Anti-Drug Council.

Accomplishments. As a result of the GOS Ministry of Justice and Police and law enforcement institutions which continued targeting large trafficking rings and working with international partners, in 2007, the GOS seized 206 kilograms (kg) of cocaine, 131 kg of cannabis, 3,154 MDMA (ecstasy) tablets and 81 grams of ecstasy powder. A total of 667 people were arrested for drug-related offenses and 462 cases were sent to the Office of the Attorney General for Prosecution. While the statistics for cocaine seizures are far below those of last year, the decrease in seizures of cocaine can be attributed to the establishment of the Airport Narcotics Team, as well as anti-narcotics training provided for customs and police officers, which forced narcotics traffickers to develop innovative new ways to get narcotics through the airport. There are clandestine airstrips within Suriname, and a government crackdown on these airstrips has also forced traffickers to develop new routes for the trade.

Law Enforcement Efforts. In 2007, law enforcement officials noted a slight decrease in the number of drug mules and an increase in the mailing of packages containing narcotics abroad via the postal service. These packages usually contain household items or foodstuff (ginger roots, noodles and bananas) laced with or containing cocaine. In 2007, GOS law enforcement agencies arrested 99 drug couriers who ingested cocaine. Many who evaded detection in Suriname were arrested at the airport in Amsterdam, which since 2004 has implemented a 100 percent inspection of all passengers and baggage arriving on all inbound flights from Suriname. In March, a special Airport Narcotics Team was established, consisting of officers from the police, military police, customs and the Airport Authority. This team was trained by Dutch law enforcement experts in detecting narcotics and weapons, identifying fraudulent passports and searching aircrafts, and was tasked with decreasing the import and export of narcotics through the Johan Adolf Pengel International airport.

In May, a judge convicted one of the suspects associated with the 2006 Shaheed “Roger” Khan case and sentenced him to 3 years imprisonment for participation in a criminal organization and sale/transport of 235 kg cocaine. The GOS also arrested Shaheed “Roger” Khan, and deported him to Guyana, via Trinidad. In Trinidad, he was arrested for narcotics violations during his transit at Piarco International Airport. Trinidad authorities surrendered Khan to the DEA. The GOS also sentenced three men for an August 2006 possession of 130 kg of cocaine; the men received two to seven year sentences.

Corruption. As a matter of policy, no senior GOS official, nor the GOS, encourages or facilitates the production, processing, or shipment of narcotic and psychotropic drugs or other controlled substances, and does not discourage the investigation or prosecution of such acts. Public corruption is believed to have played some role in reducing the number of seizures that could have taken place, as it is believed that the narcotics traffickers’ influence and infiltration in the military and police affected the cooperation of the sparsely populated communities nearby the clandestine airstrips, thereby stymieing law enforcement interdiction efforts.

The GOS has demonstrated some willingness to undertake law enforcement and legal measures to prevent, investigate, prosecute, and punish public corruption. Several police officers suspected of narcotics trafficking and membership in criminal organizations, were investigated in 2007. The police officers who were investigated have been transferred to other units, but there have been no resulting prosecutions in these cases. Public corruption is considered a problem in Suriname and there are continued reports of drug use and drug sales in prisons. Reports of money laundering, drug trafficking, and associated criminal activity involving current and former government and military officials continue to circulate.

Agreements and Treaties. Suriname is party to the 1961 UN Single Convention as amended by the 1972 Protocol, the 1971 UN Convention on Psychotropic Substances, the Inter American Convention against Corruption. Suriname is also a party to the 1988 UN Drug Convention and has accordingly passed legislation that conforms to a majority of the Convention’s articles, but it has failed to pass legislation complying with precursor chemical control provisions.

Suriname is a party to the UN Convention against Transnational Organized Crime and its protocol against migrant smuggling. The GOS has not ratified the Inter-American Convention on Mutual Assistance in Criminal Matters or the Optional Protocol thereto. Since 1976, the GOS has been sharing narcotics information with the Netherlands pursuant to a Mutual Legal Assistance Agreement. The two countries intensified their cooperation to fight drug trafficking with agreements between their police forces and their offices of the Attorney General. In August 1999, a comprehensive six-part, bilateral, maritime counternarcotics enforcement agreement was entered into with the U.S. The U.S.-Netherlands Extradition Treaty of 1904 is applicable to Suriname, but current Suriname law prohibits the extradition of its nationals.

Officials from Suriname, the Netherlands Antilles, and Aruba met in March and agreed to share intelligence regarding transnational crime and financial crimes, following the January 2006 signing of a Mutual Legal Assistance Agreement allowing for direct law enforcement and judicial cooperation between the countries. Suriname has also signed bilateral agreements to combat drug trafficking with neighboring countries Brazil, Guyana, Venezuela and Colombia. Brazil and Colombia have cooperated with Suriname on specific drug-related cases. Suriname is an active member of the Inter-American Drug Abuse Control Commission of the Organization of American States (OAS/CICAD), to which it reports regularly. Suriname has signed agreements with the United States, Netherlands and France that permit law enforcement attachés to work with local police.

Cultivation and Production. Suriname is not a producer of cocaine or opium poppy. There is little specific data on the amount of cannabis under cultivation, or evidence that it is exported in significant quantities.

Drug Flow/Transit. The border between Suriname and Guyana is open and, according to law enforcement officials, traffickers increasingly use this border to traffic cocaine and cannabis to Suriname. Much of the cocaine entering Suriname is delivered by small aircraft, which land on clandestine airstrips that are cut into the dense jungle interior and sparsely populated coastal districts. The lack of resources, infrastructure, law enforcement personnel, and equipment makes detection and interdiction difficult. Drugs are transported along interior roads to and from the clandestine airstrips. Drugs are also shipped to seaports via numerous river routes or overland for onward shipment to Caribbean islands, Europe, Africa and the United States. Sea-drops are also used. Drugs exit Suriname via commercial air flights, by drug couriers or concealed in planes, and by commercial sea cargo. European-produced MDMA (Ecstasy) is transported via commercial airline flights from the Netherlands to Suriname.

Domestic Programs. In 2007 the Drug Demand Reduction (DDR) Program continued its nationwide drug awareness and drug prevention activities with funding from the European Commission. One of the highlights of the decentralized strategy was a widely attended march through Nickerie, the country's most western district, to celebrate the International Day Against Drugs. The DDR program trained a cadre of counselors and citizens, increased awareness about the danger in the general population and increased focus on prevention of drug use, counseling at early detection of drug use and treatment of drug dependents. In 2007, all six drug treatment centers in the country adopted minimum standards for treatment that were endorsed by the Ministry of Health. The Psychiatric Hospital opened the first detoxification center in the country, expanding the treatment capabilities for drug dependents.

In 2007, with the support of CICAD, a national survey was conducted to assess the magnitude of drug consumption in the country. A total of 4,000 persons from all geographic regions of the country were interviewed on drug consumption, age of first use and perception of risks. The results will be available in early 2008, and will be used to refine national policy. In the area of supply reduction, the drug supply reduction network was strengthened, linking key players such as the Narcotics Squad, Office of the Attorney General and Customs in an automated system.

IV. U.S. Policy Initiatives and Programs

U.S. Policy Initiatives. The United States' focus is on strengthening the GOS law enforcement and judicial institutions and their capabilities to detect, interdict, and prosecute narcotics trafficking activities. In 2006, Suriname hosted an anti-narcotics conference attended by many regional and international players, including the United States. The "Paramaribo Declaration," which was endorsed in principle by the participants at the end of the conference, provided a framework to establish an intelligence-sharing network, coordinate, and execute sting operations, destroy

clandestine airstrips and tackle money laundering. As follow-on to the objectives in the Declaration, in 2007, the GOS destroyed two clandestine airstrips and also signed a law enforcement cooperation agreement with neighboring Brazil.

Bilateral Cooperation. In 2007, the United States provided training and material support to several elements of the national police to strengthen their counternarcotics capabilities. In July 2007, the U.S. government funded leadership training for elements of the police force at the International Law Enforcement Academy (ILEA) in El Salvador. The Drug Enforcement Administration (DEA) intensified its cooperation with Surinamese law enforcement in 2007 after having established an office in Suriname the previous year. In February 2007, DEA trainers provided a two-week Basic International Narcotics Course for 26 police, military police, and customs officials in Suriname.

The Road Ahead. The United States encourages the GOS to pursue major narcotics traffickers and to dismantle their organizations. The GOS should continue to strengthen its focus on port security, specifically seaports, which are seen as the primary conduits for large shipments of narcotics exiting Suriname. The United States will continue to encourage Surinamese judges to use the existing asset forfeiture laws to penalize narcotics traffickers and remove their financial bases. The United States will also support GOS efforts to draft and pass new legislation to strengthen law enforcement ability to utilize undercover agents in narcotics investigations and to enhance the judiciary's asset forfeiture capabilities.

Trinidad and Tobago

I. Summary

Trinidad and Tobago is a transit country for illegal drugs from South America to the U.S. and Europe. While there has been an increase in illicit drug traffic out of Venezuela, the quantity of drugs transiting Trinidad and Tobago does not have a significant effect on the U.S. Cannabis is grown in Trinidad and Tobago, but not in significant amounts. Trinidad and Tobago's petrochemical industry imports and exports chemicals that can be used for drug production and the Government of Trinidad and Tobago (GOTT) has instituted export controls to prevent diversion. The GOTT continues to cooperate with the U.S. on counternarcotics issues and allocates significant resources of its own to the fight against illegal drugs. The GOTT is party to the 1988 UN Drug Convention.

II. Status of Country

Trinidad and Tobago, located seven miles off the coast of Venezuela, is a convenient transshipment point for illicit drugs, primarily cocaine and marijuana but also heroin. Increased law enforcement success in Colombia has led to greater amounts of illegal drugs transiting the Eastern Caribbean. This does not have a significant effect on the U.S. market.

Trinidad and Tobago has an advanced petrochemical sector, which requires the import and export of chemicals that can be diverted for the manufacturing of cocaine hydrochloride. Precursor chemicals originating from Trinidad and Tobago have previously been found in illegal drug labs in Colombia. The GOTT is working to track chemical shipments through the Trinidad and Tobago, and export controls have been instituted to prevent future diversion to narcotics producers.

III. Country Actions Against Drugs in 2007

Policy Initiatives. In 2007, the GOTT acknowledged that Trinidad and Tobago is a significant drug transshipment location and underscored its intention to take action against traffickers. In this regard, the GOTT commissioned a new Air Guard Unit, with two helicopters and comprised of 119 former Coast Guard officers and 4 members from the Regiment (Trinidad and Tobago Army). This unit is operational and replaced the disbanded Coast Guard Airwing detachment. Additionally, in an effort to further secure the country's borders from trans-national organized criminal networks and the increasing phenomenon of identity fraud, in 2007 the country began issuance of the International Civil Aviation Organization (ICAO) standard machine-readable passports.

In 2007, the GOTT also enacted several laws that focused on streamlining the police service and holding it more accountable, submission of evidence, and increasing the penalties for certain crimes, specifically kidnapping. Three highly publicized legislative acts of 2007 were the Deoxyribonucleic Acid (DNA) Act, which provides for the taking of "intimate" and "non intimate" samples from persons connected with the commission of an offense as well as convicts; the Evidence (Amendment) Act, which made hearsay evidence admissible in court under specific circumstances; and the Bail (Amendment No.3) Act which restricts granting of bail for 60 days to those charged with kidnapping offenses.

In order to improve the capacity to detect narcotics and appropriately manage crime scenes, the GOTT continued to implement training recommendations made by an American private sector criminal justice specialist. The Government also implemented several recommendations from the Department of Justice's International Criminal Investigative Training Assistance Program that suggested changes to the structure, recruiting and retention of Specialized Anti-crime Unit Trinidad

and Tobago (SAUTT) officers. Specifically, the SAUTT set minimum standards of level of education, began process to become a separate and legal entity and provided monetary benefits corresponding to the high-level of risk and sacrifice an officer might experience.

In 2007, the GOTT awarded a contract to a UK shipbuilding firm to design and build three Offshore Patrol Vessels (OPVs) for the Coast Guard. These vessels will be used for maritime drug interdiction as well as anti-smuggling operations. The GOTT also has expressed an interest in patrolling eastern Caribbean waters to assist neighboring countries in countering trafficking, should funding and vessels be available. Additionally, the GOTT provided the Police Service with eight hi-tech vehicles fully equipped with forensic equipment, which will aid with crime scene investigations. After being grounded for maintenance, a SAUTT air blimp resumed flight in 2007, providing crime surveillance throughout Trinidad. It primarily had a deterrent value and was used extensively during the election.

Accomplishments. The GOTT, during joint operations with foreign law enforcement counterparts, made 110 drug trafficking arrests in 2007, an increase of 92 persons compared to last year. Also in 2007, the GOTT seized approximately 167 kilograms (kgs) of cocaine and 3,792 kgs of cannabis in various forms. The GOTT also conducted 148 eradications, destroying 162,210 marijuana trees, 15,500 seedlings and 194 kilograms of cured marijuana.

Law Enforcement Efforts. The Coast Guard (TTCG), Organized Crime and Narcotics Unit (OCNU), Counter Drug and Crime Task Force (CDCTF), SAUTT and other specialized police/military units continued drug interdiction and eradication operations throughout 2007. The DEA and U.S. Customs and Border Protection assisted with several of these joint exercises. The GOTT purchased technical equipment to augment human resources, however, some agencies continue to complain that they have been overlooked in budgetary allocations and do not have adequate funds for upkeep or necessary new equipment. Retired Scotland Yard officers hired in 2006, continued to mentor T&T law enforcement agents and to provide support for the Caribbean Financial Action Task Force (CFATF), which has its secretariat in Port of Spain.

The Organized Crime Narcotics and Firearms Bureau (OCNFB) reported an increase in seizures of various types of illicit drugs and disruption of the drug trade in 2007. The OCNFB arrested 85 persons, seized over 100 kilos of cocaine and over 2,193 kilos of marijuana from January to October 2007.

The GOTT Incident Coordination Center established in 2006, and staffed by personnel from a number of specialized agencies, facilitated information sharing and more effective response by law enforcement to counternarcotics and financial investigations in 2007. The GOTT also completed six drug related extraditions in 2007, an increase from two in 2006.

Corruption. As a matter of policy, the GOTT does not encourage or facilitate the illicit production or distribution of narcotic or psychotropic drugs or other controlled substances, or the laundering of proceeds from illegal drug transactions. Trinidad and Tobago is a party to the Inter-American Convention against Corruption and has signed the UN Convention against Corruption. During 2007, there were no charges of drug-related corruption filed against GOTT senior officials. The country actively fights against the production or distribution of illicit narcotics and works against laundering the proceeds of such crimes. The 1987 Prevention of Corruption Act and the 2000 Integrity in Public Life Act contain the ethical rules and responsibilities of government personnel. The Integrity in Public Life Act requires public officials to declare and explain the source of their assets and an Integrity Commission initiates investigations into allegations of corruption. At GOTT request, the USG has polygraphed police and mid- and high-level officials selected for training or entering elite units to ensure that reputable and reliable personnel are chosen.

Agreements and Treaties. Trinidad and Tobago is party to the 1988 UN Drug Convention, the 1961 UN Single Convention on Narcotic Drugs, the 1972 Protocol amending the Single Convention, and the 1971 UN Convention on Psychotropic Substances, the UN Convention against Transnational Organized Crime and its protocols on trafficking in persons and migrant smuggling, the Inter American Convention against Corruption, and Inter American Convention on Mutual Assistance in Criminal Matters, and signatories to the Inter-American Convention against Terrorism and Inter American Convention against Trafficking in illegal firearms. Mutual legal assistance and extradition treaties with the U.S. entered into force in November 1999. The GOTT updated its domestic extradition legislation in April 2004 to make it consistent with the extradition treaty and to streamline the extradition process. A bilateral U.S.- GOTT maritime agreement is also in force. Trinidad and Tobago is also a member of the Organization of American States' Inter-American Drug Abuse Commission (OAS/CICAD).

Cultivation and Production. Trinidad and Tobago is not a producer of cocaine or opium poppy. Small amounts of cannabis are cultivated year-round in the forest and jungle areas of northern, eastern, and southern Trinidad and, to a lesser extent, in Tobago. The total amount of cultivation cannot accurately be determined because plants are grown in small lots in remote areas.

Drug Flow/Transit. Trinidad and Tobago is a transshipment country for the movement of cocaine and heroin from Colombia to the U.S., Canada and Europe. As a result of Venezuela's recent lack of cooperation with the U.S., there has been an increase in the transshipment of cocaine and heroin from Colombia, through Venezuela. The majority of the cocaine that arrives on Trinidad is via commercial vessels, sailing vessels and small fishing vessels, in amounts upwards of several thousand-kilogram quantities. These loads are generally coordinated by organized Colombian and Venezuelan drug trafficking organizations, and are often facilitated and protected by members of the Venezuelan military. The cocaine is then stored and broken up into smaller loads for smuggling into the U.S., Canada and Europe.

Heroin smuggling is limited but organized by Colombian trafficking groups operating in Venezuela, and in Trinidad and Tobago. Heroin is smuggled from Venezuela, in amounts from two to fifty kilograms, using commercial airlines and vessels.

Domestic Programs/Demand Reduction. The GOTT does not maintain statistics on domestic consumption or numbers of drug users. Demand reduction programs are managed by government agencies such as the Ministry of Community Development, Culture and Gender Affairs; the National Drug Council in the Ministry of National Security; the Ministry of Education; and the Office of Social Services Delivery, often with assistance from NGOs. The GOTT also funds the National Alcohol and Drug Abuse Prevention Program, which coordinates the activities of NGOs to reduce demand. In addition, the GOTT promotes job skills training programs for high-risk youths, and supports police youth clubs with its community-policing branch. The GOTT also has a D.A.R.E. (Drug Abuse Resistance Education) program.

The USG continues to support demand reduction efforts in Trinidad and Tobago through the sponsorship of schools, police youth clubs, football leagues and public awareness campaigns.

IV. U.S. Policy Initiatives and Programs

Policy Initiatives. To assist the GOTT to eliminate the flow of illegal drugs through Trinidad and Tobago to the United States, joint U.S./GOTT efforts focus on strengthening the GOTT's ability to detect and interdict drug shipments, bring traffickers and other criminals to trial, attack money laundering, and counter drug-related corruption. The U.S. also seeks to strengthen the administration of justice by providing training and technical assistance to help streamline Trinidad and Tobago's judicial process, reduce court backlogs, and protect witnesses from intimidation and murder.

Bilateral Cooperation. In 2007, the USG provided additional drug and explosive-detection canine/handler training to the Police Service, and supported Trinidad's newly established Canine Academy. The USG also provided the TTCG with marine engineering, small boat maintenance, leadership, and crisis management training. In addition, the USG provided training courses in crime scene investigation, explosive detection and combating terrorism.

Over the past year, the DEA and its local counterparts have been involved in investigations that led to the seizure of over 10 tons of cocaine transiting into or through Trinidadian waters. The GOTT-funded U.S. Customs Advisory Team provided technical assistance to Customs and Excise in tracking and intercepting marine vessels, including cargo container ships.

The Road Ahead. The U.S. will continue to work closely with the GOTT's law enforcement agencies to strengthen their counternarcotics/anticrime capabilities and provide training and operational support to the TTCG to enhance the GOTT's maritime interdiction capabilities. Initiatives the GOTT should undertake include: establishment of a drug court to deal with drug offenses; strengthening border protection by automating the method to include container scanning; providing additional training for officers to deal with counterfeit merchandise and copyright items and counterfeit money; establishing an internal affairs unit to combat internal fraud and bribes; initiating more border patrols on the western side of the island; and, participating in the U.S. Southern Command (SOUTHCOM) initiative called "Carib Venture," which is a multi-national mission in the Southern Caribbean focused on stemming the flow of drugs in the region.

SOUTHWEST ASIA

Afghanistan

I. Summary

Narcotics production in Afghanistan hit historic highs in 2007 for the second straight year. Afghanistan grew 93 percent of the world's opium poppy, according to the United Nations Office on Drugs and Crime (UNODC). Opium poppy cultivation expanded from 165,000 ha in 2006 to 193,000 ha in 2007, an increase of 17 percent in land under cultivation. Favorable weather conditions and expanded planting in more fertile agricultural areas also boosted Afghanistan's yield per hectare. UNODC estimates that Afghanistan produced 8,200 MT of opium in 2007, an increase of 2,556 MT over the 5,644 MT produced in 2006. In 2007, opium production was 34 percent above 2006 levels and nearly double the amount produced in 2005. The export value of this year's illicit opium harvest, \$4 billion, made up more than a third of Afghanistan's combined total Gross Domestic Product (GDP) of \$11.5 billion.

Afghanistan's drug trade is undercutting efforts to establish a stable democracy with a licit economic free market in the country. The narcotics trade has strong links with the anti-government insurgency, most commonly associated with the Taliban. Narcotics traffickers provide revenue and arms to the Taliban, while the Taliban provides protection to growers and traffickers and keeps the government from interfering with their activities. During recent years, poppy production has soared in provinces where the Taliban is most active. Five relatively higher-income, agriculturally rich provinces along the Pakistan border accounted for 70 percent of Afghanistan's 2007 poppy production, with Helmand Province alone accounting for 50 percent. At the same time, poppy cultivation declined in many of the poorer, but more secure northern and central provinces, with 13 provinces poppy-free in 2007, compared with only six provinces so designated in 2006. These statistics address the misconception that most farmers grow poppy because they have no economic alternative; poppy is flourishing in the areas with the richest land and best developed agricultural marketing and distribution networks. Nationwide, UNODC estimates that approximately 14.3 percent of Afghans were involved in poppy cultivation in 2007, up from 12.6 percent in 2006.

For the most part, farmers choose to plant opium poppy because it is a profitable, hardy, and low-risk crop. Credit is available, abundant manual labor makes harvesting cheap, and it is easy to market. Economic assistance alone will not overcome the overall narcotics problem in Afghanistan. Some provincial governors have reduced or eliminated cultivation through determined campaigns of persuasion, law enforcement, and eradication. Alternative development opportunities can yield acceptable incomes, but must also be backed by measures to increase risk to those who plant poppy. This risk should fall heaviest on those who plant the most.

The Government of the Islamic Republic of Afghanistan (GOIRA) is working cooperatively with the international community to implement its current counternarcotics strategy more effectively. Eliminating narcotics cultivation and trafficking in Afghanistan will require a long-term national and international commitment. The Afghan government must take decisive action against poppy cultivation soon to turn back the drug threat before its further growth and consolidation make it even more difficult to defeat. During 2007, President Karzai weighed the possibility of limited aerial spray eradication of opium poppy, but ultimately declined to approve the program.

II. Status of Country

During 2007, Afghanistan increased its position as the world's largest heroin producing and trafficking country, with 93 percent of world cultivation. Afghanistan is involved in the full narcotics production cycle, from cultivation to finished heroin, with drug traffickers trading in all

forms of opiates, including unrefined opium, semi-refined morphine base, and refined heroin. Terrorist violence such as roadside bombs, suicide bombings, and attacks on police rose across the country during 2007. Still, the overall Afghan economy continued its brisk growth rate of more than 10 percent annually over the last five years. Improvements to Afghanistan's infrastructure since 2002 have created more economic alternatives and enhanced the Afghan government's ability to combat drug trafficking in some parts of the country, even though improvements such as roads and modern communications can also be exploited by narcotics traffickers. Increased insecurity in Afghanistan's south, where most poppy was grown, impeded the extension there of governance and law enforcement. Narcotics traffickers also exploited government weakness and corruption. Large parts of Afghanistan's best agricultural lands in Nangarhar, Kandahar, Uruzgan, Nimruz, Farah, and Helmand provinces suffered from Taliban activity.

III. Country Actions Against Drugs in 2007

Policy Initiatives. In January 2006, the Afghan government inaugurated an eight-pillar National Drug Control Strategy (NDCS) calling for coordinated action in the areas of Public Information, Alternative Livelihoods, Law Enforcement, Criminal Justice, Eradication, Institutional Development, Regional Cooperation, and Demand Reduction. The NDCS approach is similar to U.S. and UK counternarcotics strategies for Afghanistan. While the NDCS is generally viewed as a sound strategy, the Afghan government failed in 2006 and 2007 to implement it in ways that could stop the growth of the country's narcotics problem. The Ministry of Counter Narcotics, charged with directing implementation of the NDCS, was unable to effectively influence other government agencies. Counter Narcotics Minister, Habibullah Qaderi, resigned in July 2007 for personal reasons; the delay in appointing a successor struck some observers as indicative of the Afghan government's lack of commitment to the fight against narcotics.

Following UNODC's announcement of poppy cultivation figures in August 2007, President Karzai convened the second annual national counternarcotics conference. This meeting brought together representatives from key Afghan government Ministries, governors from the 17 largest poppy producing provinces, tribal elders, police chiefs, religious leaders, and members of the international community. Afterward, the Ministry of Counter Narcotics (MCN) held a pre-planting season planning session for the 17 governors in attendance. The Afghan government instructed provincial and district leaders to launch pre-planting information campaigns to reduce poppy cultivation. The response from governors was uneven. Some governors (notably those in Balkh, Nangarhar, and Badakhshan) developed vigorous anti-poppy campaigns, while others did little to discourage poppy cultivation. The acting Minister of Counter Narcotics led government delegations to key narcotics-producing provinces to hold anti-narcotics shuras or community councils.

In mid 2007, the Afghan government's Policy Advisory Group (PAG) added counternarcotics as one of its key policy pillars. The PAG was formed in late 2006 by the Afghan Government, in cooperation with the U.S., UK, Canada, the Netherlands, NATO International Security Assistance Force (ISAF), and United Nations Assistance Mission in Afghanistan (UNAMA), to deal with critical issues in the unstable southern provinces of Helmand, Kandahar, Farah, Zabol, Nimroz, and Uruzgan. In October 2007, the Afghan government agreed in the PAG to a 50,000 hectare national eradication target for 2008, 25 percent of the expected crop. The Afghan government also agreed to arrest high-level traffickers and provide one to two battalions (140-280 personnel) of Afghan National Army forces as protection for police eradication operations. Concerned that his forces would be stretched too thin, the Minister of Defense raised objections to their deployment to provide force protection to poppy eradicators. To date, the situation remains unresolved.

In November 2007, President Karzai issued an edict announcing the 2008 terms of the Good Performers Initiative (GPI), a U.S.-UK-funded initiative started in 2006 to reward provinces for successful counternarcotics performance. On the basis of UNODC poppy cultivation estimates to

be released in August 2008, GPI will fund development projects proposed by governors of poppy-free provinces, provinces that reduce their poppy crop by more than 10 percent, and provinces that make a good faith effort to reduce poppy but fail to meet other GPI criteria. To date, the U.S. government has agreed to contribute \$35 million to the GPI, while the UK has promised \$6.5 million.

The Counter Narcotics Trust Fund (CNTF), in which some GPI funds are deposited, frustrated governors with delays in approving and implementing 2007 GPI projects. As of November 2007, CNTF had disbursed just \$4.1 million of \$10 million deposited a year earlier for GPI projects. Under U.S. and UK pressure, CNTF undertook to reform its grant-administration procedure in the fall of 2007. In order to promote faster disbursement of smaller GPI grants and provide additional incentives to governors, the U.S. Embassy is establishing a process by which it can directly disburse up to \$50,000 for 2008 GPI projects.

The U.S.-funded Afghan government Poppy Elimination Program (PEP) developed and disseminated counternarcotics information to farmers and the general public in seven major poppy-growing provinces. In addition to organizing local shuras during pre-planting season, the provincial PEP teams worked to build public support for eradication activities undertaken by authorities.

Justice Reform. The Afghan government's Criminal Justice Task Force (CJTF), with assistance from the U.S., UK and other donors, uses modern investigative techniques to investigate and prosecute narcotics traffickers under the December 2005 Counter Narcotics Law. Narcotics cases are tried before the Counter Narcotics Tribunal (CNT), which has exclusive national jurisdiction over mid- and high-level narcotics cases in Afghanistan. Under the new law, all drug cases that reach certain thresholds must be prosecuted by the CJTF before the CNT. The thresholds are possession of two kg of heroin, ten kg of opium, and 50 kg of hashish. Secure facilities, including offices, courtrooms, and a detention facility, for the CJTF and CNT will be opened at the Counternarcotics Justice Center (CNJC), constructed by the U.S. government in early 2008.

The Afghan government, with assistance from the U.S. and UNODC, refurbished a section of the Pol-i-Charkhi prison to house 100 maximum-security narcotics convicts. This prison is Afghanistan's largest and is the site of frequent disturbances and unrest due to poor conditions, poor prison management, and lack of resources. Through the Corrections System Support Program (CSSP), the United States is helping to improve the corrections system with training, capacity-building, and infrastructure. The CSSP works closely with the U.S.-funded Justice Sector Support Program (JSSP), which has over 60 U.S. and Afghan justice advisors in Kabul and four provinces providing training, mentoring, and capacity-building for Afghanistan's criminal justice system.

Law Enforcement Efforts. Eradication efforts, though stronger in 2007 than 2006, failed to keep pace with expanded poppy cultivation. Without an aerial eradication program, poppy reduction was limited to labor-intensive manual eradication efforts in medium to high threat areas. According to UNODC estimates, 19,047 ha were eradicated in 2007 compared to 15,300 ha in 2006. Governor-led eradication (GLE) accounted for 15,898 ha, and the Poppy Eradication Force (PEF), a U.S.-supported, centrally-deployed police unit specifically trained and equipped for eradication activities, eradicated another 3,149 ha of poppy in Helmand, Uruzgan, and Takhar provinces. The percent of the poppy crop eradicated increased from 8.9 percent of planted poppy in 2006 to 9.9 percent in 2007. For the most part, both GLE and PEF eradication were arranged through negotiations with poppy-growing communities, a practice that reduced eradication's deterrent effect. Even so, violent resistance to manual ground-based eradication increased in 2007, resulting in 17 fatalities.

Narcotics law enforcement was hampered by corruption and incompetence within the justice system as well as the absence of governance in large sections of the country. Although narcotics make up one-third of Afghanistan's GDP, no major drug traffickers have been arrested and

convicted in Afghanistan since 2006. In addition, too few high-level drug traffickers served terms in Afghanistan's prisons during 2007. However, from January to October 2007, the CJTF prosecuted 409 lower-level cases.

In 2003, the Ministry of Interior (MOI) established the Counter Narcotics Police of Afghanistan (CNPA), comprised of investigation, intelligence, and interdiction units. At the end of 2006, the CNPA had approximately 1,500 of its 2,900 authorized staff, including the 500-member PEF. The U.S. Drug Enforcement Administration (DEA) works closely with the CNPA to offer training, mentoring, and investigative assistance in order to develop MOI capacity.

The DEA operates permanently assigned personnel and the Foreign-deployed Advisory Support Teams (FAST) in Afghanistan. The FAST teams, which consist of eight special agents, one intelligence analyst, and one supervisor, operate in Afghanistan on 120-day rotations and deploy around the country with the Afghan National Interdiction Unit (NIU). During 2007, FAST and the NIU deployed to Herat, Farah, Helmand, Kandahar, Kunduz, and Nangarhar Provinces to conduct operations.

From September 2006 through September 2007, the CNPA reported the following seizures: 4,249 kg of heroin, 617 kg of morphine base, 39,304 kg of opium, and 71,078 kg of hashish. During the same period, the CNPA also destroyed 50 drug labs. The CNPA seized 37,509 kg of solid precursor chemicals and 33,008 liters of liquid precursors. The CNPA also reported 760 arrests for trafficking under the provisions of the Afghan Counter Narcotics law where possession of 2 kg of heroin (or morphine base), 10 kg of opium, or 50 kg of hashish mandates automatic jurisdiction for the CNT.

During 2007, the Afghan government, with DEA support, created two vetted units, the Sensitive Investigative Unit (SIU) and the Technical Investigative Unit (TIU), to investigate high-value targets. They will gather evidence through means authorized under Afghanistan's Counter Narcotics Law and approved through the Afghan legal system. Personnel in these units were recruited from a wide variety of Afghan law enforcement agencies and had to pass rigorous examinations. The SIU was fully functional by the end of 2007, while the TIU will begin its work in 2008.

The SIU and TIU will carry on their work in a secure facility within the new National Interdiction Unit (NIU) base that opened in 2007. The Afghan government established the NIU in 2004 with DEA assistance. The NIU currently consists of 181 members, with an authorized strength 216. NIU officers receive a substantial amount of tactical training. The aim of this program is to have SIU and TIU investigations culminate in the issuance of arrest and search warrants executed by the NIU. The investigations conducted by the SIU and NIU with DEA assistance will be prosecuted at the Counter Narcotics Tribunal through the Criminal Justice Task Force (CJTF), which consists of Afghan prosecutors and investigators mentored by experienced Assistant U.S. Attorneys and U.S. Department of Justice Senior Trial Attorneys. The CJTF mentors have also been working with the Afghan authorities to create a formal legal process to gain authority for controlled deliveries of narcotics to trafficking suspects.

Haji Baz Mohammad, a major Afghan trafficker, was extradited to the United States in October 2005. In July 2006, he pled guilty to conspiracy to import heroin into the U.S. and in October 2007 was sentenced to more than 15 years in prison for running an international narcotics-trafficking organization that imported millions of dollars worth of illegal drugs into the United States. Similar to the indictment of Haji Bashir Noorzai, an Afghan drug kingpin who was indicted and then arrested in the United States in 2005, Baz Mohammad's indictment also alleged that he was closely aligned with the Taliban.

During 2007, two drug traffickers with links to the insurgency volunteered to be transported from Afghanistan to stand trial in the United States. The first, Mohammad Essa, was a key heroin distributor for the Haji Baz Mohammad network in the United States. Essa had fled the United States when Baz Mohammad was sent to stand trial in New York. In December 2006, he was apprehended in Kandahar Province by the U.S. military, during a battle with insurgents, and he was voluntarily transferred to the United States in April 2007. The second was Khan Mohammad, who was a supporter of the insurgency and arrested in Nangarhar Province in October 2006. He was indicted for selling opium and heroin to CNPA/NIU informants, knowing that the drugs were destined for the United States. He agreed to return to the United States for trial and was transferred to U.S. authorities in November 2007 and will stand trial in Washington, D.C.

Corruption. Although the illicit production or distribution of narcotic or psychotropic drugs and other controlled substances and the laundering of proceeds from illegal drug transactions are illegal, many Afghan government officials are believed to profit from the drug trade. Narcotics-related corruption is particularly pervasive at the provincial and district levels of government. Corrupt practices range from facilitating drug activities to benefiting from revenue streams that the drug trade produces.

On June 28, 2007, five Afghan Border Police officers were arrested while transporting 123.5 kg of heroin from Nangarhar to Takhar Province. The heroin was seized outside Kabul. At the time, the officers were transporting the heroin in a Border Police truck. The officers worked for Border Police Commander Haji Zahir, also alleged to be a drug trafficker. Defendants in the case included his personal body guard and his nephew, who acts as his personal secretary. Though this seizure did not result in Zahir's arrest, he was suspended from his position as commander in Takhar Province. The investigation into his involvement with this shipment continues.

Since Attorney General Sabit's appointment in September 2006, he has become an anti-corruption activist, dismissing prosecutors across the country for corruption and pursuing corruption investigations against politically sensitive targets. A new reform-oriented Supreme Court Justice, Abdul Salam Azimi, was also appointed by President Karzai in August 2006. Azimi was asked by President Karzai to lead a completely Afghan-driven interagency commission to develop a government-wide anti-corruption strategy, the report of which is expected to be released in 2008.

Agreements and Treaties. Afghanistan is a party to the 1988 UN Drug Convention, the 1971 UN Convention, and the 1961 UN Single Convention on Psychotropic Substances. Afghanistan is also a party to the UN Convention Against Transnational Organized Crime. Afghanistan has signed, but has not yet ratified, the UN Convention Against Corruption. The Afghan government has no formal extradition or legal assistance arrangements with the United States, but American mentors are working with the Criminal Justice Task Force to help draft such a law. The 2005 Afghan Counter Narcotics law, however, allows the extradition of drug offenders under the 1988 UN Drug Convention. Haji Baz Muhammad, mentioned above, was extradited to the United States under the authority of the 1988 UN Drug Convention in October 2005. In 2006, however, a similar effort to extradite Misri Khan, a major trafficker, and his associates met with a request from President Karzai that the defendants first stand trial at Afghanistan's Counter Narcotics Tribunal, which subsequently sentenced the defendants to 17 years in prison. The defendants are still incarcerated in Afghanistan as of December 2007.

Illicit Cultivation/Production. Based on UNODC data, the number of hectares under poppy cultivation in Afghanistan increased 17 percent, from 165,000 ha in 2006 to 193,000 in 2007. Resulting opium production reached a record 8,200 MT. The opium yield per hectare was the highest in five years, increasing from 37 kg/ha in 2006 to 42.5 kg/ha in 2007. UNODC attributed the high yield to ideal weather conditions, even though floods in Uruzgan moderated intensive poppy cultivation in that province. The number of people involved in opium cultivation increased

in 2007 from 2.9 million to 3.3 million. According to UNODC estimates, 14.3 percent of Afghans were involved in opium cultivation during 2007. Considered in terms of its estimated \$4 billion illicit export value, opium represented about one-third of Afghanistan's total GDP (licit and illicit). On the other hand, the portion of narcotics money actually received by farmers was a small share of the whole: opium poppy's \$1 billion farm-gate value accounted for only 11 percent of total licit and illicit GDP.

Poppy is a hardy, low risk crop. High profits, access to land and credit, and trafficker-facilitated access to illicit markets outside of Afghanistan make poppy immensely attractive to farmers in Afghanistan's circumstances. However, the reduction of poppy cultivation in the poorer northern and central provinces and the explosion of poppy cultivation in agriculturally rich areas such as Helmand, Kandahar, and Nangarhar, where poppy has displaced wheat and other legitimate crops, disproves the notion that most farmers grow poppy because they have no viable alternatives. In its 2007 Opium Survey for Afghanistan, UNODC stated "opium cultivation is no longer associated with poverty and is closely linked to the insurgency."

Thirteen of Afghanistan's 34 provinces were poppy-free in 2007. This compares favorably to the six provinces that were declared poppy free in 2006. In Badakhshan, according to UNODC, the governor combined persuasion and eradication to slash cultivation from 13,056 ha in 2006 to 3,642 ha in 2007. Governor-led eradication cut opium production in Balkh from 10,037 ha in 2006 to zero in 2007. Many farmers in Balkh province reverted to planting marijuana, a traditional crop in Balkh. UNODC estimated that 70,000 ha of marijuana were cultivated country-wide in 2007, an increase of 20,000 ha over 2006.

The eastern province of Nangarhar demonstrated the historic volatility of Afghan poppy cultivation with a 285 percent jump in area planted in 2007 to 18,739 ha, placing the province second to Helmand in total cultivation. Nangarhar farmers had previously responded to a strong anti-narcotics campaign by the governor by virtually ceasing to grow poppy altogether in 2005. This fluctuating trend continued in fall and winter 2007, when the new governor, Gul Agha Sherzai, pursued his own pre-planting and eradication campaign, which is anticipated to cause a substantial drop in cultivation in 2008.

Afghanistan's poppy free provinces are in the relatively secure central and northern parts of the country, while poppy cultivation has exploded where the insurgency is strong, particularly in the south and southwest. The United States, UK, UNODC, ISAF and other major international stakeholders now acknowledge that a symbiotic relationship exists between the insurgency and narcotics trafficking in Afghanistan. The Taliban taxes poppy farmers to fund the insurgency. Traffickers provide weapons, funding, and personnel to the insurgency in exchange for the protection of drug trade routes, poppy fields, and members of their organizations. For their part, narcotics traffickers thrive in the insecurity and absence of governance in areas where the Taliban is active. The nexus between militants and narcotics trafficking was vividly illustrated when the Taliban gained control in February 2007 of the Musa Qala district in northern Helmand. When Afghan and coalition troops retook the district nine months later, they found that Taliban governance had deliberately sheltered a flourishing narcotics industry. The full production cycle, from raw opium to finished heroin, was traded in Musa Qala's open narcotics markets, benefiting local traffickers and Taliban tax-collectors alike.

The southern province of Helmand province was in a class of its own in 2007, growing 53 percent of Afghanistan's poppy crop with 102,770 ha under cultivation. Helmand's 2007 poppy crop increased 48 percent over 2006. Poppy cultivation has quadrupled in Helmand since 2005 and has almost entirely taken over a once prosperous agricultural region growing legal crops. Helmand opium production is organized on a large scale, employing thousands of seasonal migrant laborers and supporting cultivation with systems of credit and distribution. Massive amounts of

development assistance to Helmand have not held back the explosion of poppy cultivation and trafficking there. As the recipient of \$270 million in FY2007 alone, if Helmand were an independent country, it would be the sixth largest recipient of bilateral USAID development assistance in the world.

Drug Flow/Transit. Drug traffickers and financiers lend money to Afghan farmers in order to promote drug cultivation in the country. Traffickers buy the farmers' crops at previously set prices or accept repayment of loans with deliveries of raw opium. In many provinces, opium markets exist under the control of regional warlords who also control the illicit arms trade and other criminal activities, including trafficking in persons. Traders sell to the highest bidder in these markets with little fear of legal consequences, and gangsters and insurgent groups tax the trade.

Drug labs operating within Afghanistan process an increasingly large portion of the country's raw opium into heroin and morphine base. This process reduces the bulk of raw opium about one-tenth, which facilitates its movement to markets in Asia, Europe, and the Middle East with transit routes through Iran, Pakistan, and Central Asia. Opiates are transported to Turkey, Russia, and the rest of Europe by organized criminal groups that are often organized along regional and ethnic kinship lines. Pakistani nationals play a prominent role in all aspects of the drug trade along the Afghan/Pakistan border.

Precursor chemicals used in heroin production must be imported into Afghanistan. Limited police and administrative capacity hampered efforts to interdict precursor substances and processing equipment. Afghan law requires the tracking of precursor substances, but the MCN has failed to create an active registry to record data. Progress in this regard requires the establishment of new laws, a system for distinguishing between licit and potentially illicit uses of dual-use chemicals, and a specialized police force to enforce the new system. UNODC has established a five-man unit at CNPA that is charged with tracking precursor chemicals.

Domestic Programs/Demand Reduction. The Afghan government acknowledges a growing domestic drug abuse problem, particularly opium and increasingly heroin. In 2005, Afghanistan's first nationwide survey on drug use was conducted in cooperation with UNODC. This survey estimated that Afghanistan had 920,000 drug users, including 150,000 users of opium and 50,000 heroin addicts, with 7,000 intravenous users.

The NDCS includes rehabilitation and demand reduction programs for drug abusers. Given Afghanistan's shortage of general medical services, however, the government can only devote minimal resources to these programs. To address demand reduction needs, the UK and Germany have funded specific demand reduction and rehabilitation programs. For its part, the United States is funding five, 20-bed residential drug treatment centers in Afghanistan, including the only residential facility in the country dedicated to serving female addicts. In 2007, the United States also supported 26 mosque-based drug education programs, five drug prevention/life skills pilot programs in Afghan schools, drug prevention public awareness programs, and a research study on the effects of second-hand opium smoke.

IV. U.S. Policy Initiatives and Programs

Bilateral Cooperation/The Road Ahead. In 2007, the United States enhanced its five pillar Afghanistan counternarcotics strategy, which calls for decisive action in the near term and identifies a more extensive array of tactics in all sectors, including:

-- Use public information campaigns to win support for the Afghan government's counternarcotics program. The U.S. Embassy will increase support for radio, print media, and person-to-person outreach campaigns. Particular emphasis will be placed on grassroots, person-to-person community

outreach activities through the Multiplying Messengers and PEP programs, which engage local community, religious, and tribal leaders on counternarcotics issues.

-- Attack the problem at the provincial level. The U.S. expanded the Good Performer's Initiative in 2007 to provide greater incentives to governors, including those who succeed in keeping their provinces poppy-free. Provincial counternarcotics planning will be integrated with military planning at local commands in key provinces such as Helmand and Nangarhar.

-- Engage in a stronger eradication campaign. Until such time as the Government of Afghanistan approves more efficient and safe methods of eradication, the United States will continue to support the centrally-led PEF program, which conducts non-negotiated eradication to increase the impact of eradication by targeting large landowners and by encouraging governors to eradicate where it will have the greatest deterrent impact.

-- Develop alternative sources of income to poppy in rural areas. USAID continued its comprehensive Alternative Development Program (AD), which is providing \$228,950,000 for AD projects in the major opium cultivation areas of Afghanistan. Starting in late 2006, USAID implemented a rural finance program that provides credit to farmers and small- and medium-sized enterprises in areas where financial services were previously unavailable.

-- Accelerate narcotics-related investigations, arrests, prosecutions, and incarcerations. In keeping with the overall justice sector strategy pursued jointly by Afghanistan, the United States, and international partners, the United States will expand its training efforts in Afghanistan for provincial and district-level prosecutors during 2008.

-- Destroy drug labs and stockpiles. The NIU and the U.K.-sponsored Afghan Special Narcotics Force (ASNF), in cooperation with the DEA, will target drug labs and seize drug stockpiles.

-- Dismantle drug trafficking/refining networks. DEA will work closely with the CNPA, NIU, and ASNF in pursuing criminal investigations and disrupting the narcotics trade.

V. Statistical Table

Drugs Seized (kg)					
(Through September 2007)					
	2003	2004	2005	2006	2007
	----	----	----	----	
Opium	2,171	17,689	50,048	40,052	39,304
Heroin	977	14,006	5,592	1,927	4,249
Morphine Base	111	210	118	105	617
Hashish	10,269	74,002	40,052	17,675	71,078
Precursor Chemicals Seized					
(Through September 2007)					
	2003	2004	2005	2006	2007
	----	----	----	----	
Solid (kg)	14,003	3,787	24,719	30,856	37,509
Liquid (liters)	0	4,725	40,067	12,681	33,008
Arrests (for trafficking)					
(Through September 2007)					
	2003	2004	2005	2006	2007
	----	----	----	----	
Arrests	203	248	275	548	760
Drug Labs Destroyed					
(Through September 2007)					
	2003	2004	2005	2006	2007
	----	----	----	----	
Labs Destroyed	31	78	26	248	50

Bangladesh

I. Summary

A major narcotics arrest in Dhaka, in October 2007, supported law enforcement officials' claims of a sharp increase in methamphetamine abuse in Bangladesh, particularly among upper-class urban youths. The arrest resulted in the first seizure of drug-making equipment suggesting substantial domestic production, some of which might be available for shipment to other countries. A November 2007 seizure of 23.5 kg of heroin at Dhaka's international airport confirmed that at least some heroin continues to be transshipped through Bangladesh. There is no evidence that Bangladesh is a significant cultivator or producer of narcotics. Government of Bangladesh (GOB) officials charged with controlling and preventing illegal substance trafficking lack training, equipment, continuity of leadership, and other resources to detect and interdict the flow of drugs. An ongoing lack of cooperation among law enforcement agencies has made narcotics control difficult, although, in late 2007, the Ministry of Home Affairs led an effort to improve coordination. While corruption at all levels of government traditionally has hampered the country's drug interdiction efforts, the Caretaker Government that came to power in January 2007 has made fighting graft a top priority. Law-enforcement officials say the anti-graft push has made efforts to go after politically connected drug dealers easier. Bangladesh is a party to the 1988 UN Drug Convention.

II. Status of Country

The country's porous borders make the illegal flow of narcotics from neighboring countries easy and make Bangladesh an attractive transfer point for drugs transiting the region. The number of drug users in Bangladesh has been estimated at between 100,000 and 1.7 million, with 20,000-25,000 injecting drug users and 45,000 heroin smokers, indicating by the wide range of the estimate the lack of any real knowledge of the extent of drug abuse by the estimators. Other drugs used in Bangladesh are methamphetamines, marijuana, and a codeine-based cough syrup. After years of unwillingness to recognize narcotics issues, the country's law enforcement bodies took a stance against drugs in 2006, largely due to two factors: high-profile cases of heroin smuggling to the United Kingdom in 2005 and growing methamphetamine (locally, Thai "yaba" tablets which consist of caffeine and methamphetamine) use among the young elite. Yaba was initially popular among college students who used it to stay awake all night to study for exams, but has since become a popular stimulant at parties and is known as the "sex drug." A large proportion of street urchins in Dhaka also sniff glue as an appetite suppressant as well as for its drug effects, according to the head of a leading drug rehabilitation organization.

III. Country Actions Against Drugs in 2007

Policy Initiatives. Continuing ineffective government coordination to counter narcotics abuse led to the creation of a new interagency monitoring group in November 2007. The new group is led by top officials from the Ministry of Home Affairs and the Department of Narcotics Control (DNC). Additionally, all narcotics cases fall under the speedy trial act, under which a decision must be reached within three months.

Law Enforcement Efforts. Law enforcement units engaged in operations to counter narcotics include the police, the DNC, the border defense forces known as the Bangladesh Rifles (BDR), customs, the navy, the coast guard, local magistrates and the Rapid Action Battalion (RAB), an elite group that plays a leading role in fighting terrorism, corruption and narcotics abuse. Customs, the navy, the coast guard and the DNC all suffer from poor funding, inadequate equipment, understaffing and lack of training. For example, the DNC budget for 2007-2008 of nearly 150

million taka (slightly more than \$2 million) is marginally less than the budget for the previous year. Its work force of about 935 people also is nearly 350 positions short of the number of positions approved by the government. There is no DNC presence at the international airports in Chittagong and Sylhet and only two at Dhaka airport, and DNC officers throughout the country are not authorized to carry weapons. Land crossings are particularly porous, particularly the border with Burma, over which much yaba and other drugs flow. One law-enforcement official noted that some border checkpoints historically have not had female constables who could perform body searches on women crossing into Bangladesh. Although RAB has become perhaps the highest-profile anti-narcotics force in the country, it has neither a special counternarcotics section nor specific counternarcotics training. Its drug-fighting resources, which appear stronger than other law-enforcement agencies, include a recently purchased chemical analyzer that can be used to identify drugs and a newly-trained 44-dog canine corps.

Bangladesh's counternarcotics operations received a huge morale boost in late October 07, when the RAB made one of the largest drug busts in the country's history. In a raid on a Dhaka office the RAB seized about 130,000 yaba tablets, with a street value of more than \$1 million, and large amounts of drug-making equipment and raw materials. RAB officers arrested a man suspected of being a leading drug baron. One immediate result of the raid was to send the street price of yaba from 200-300 Taka a tablet to 700 Taka (\$10), or more.

The DNC keeps tabs primarily on seizures by its own officers. Drugs seized by the department from January through September 2006 (latest statistics) are as follows: 18 kg of heroin (compared to 16.3 kg in all of 2006 and 20.2 kg in 2005); 1,373 kg of marijuana (compared to 1,345 kg in 2006 and 1,589 kg in 2005); more than 20,000 bottles of phensidyl, a codeine-based, highly addictive cough syrup produced in India; 215 ampoules of pethedine, an injectable opiate with medical application as an anesthetic; and 5,652 tablets of yaba. The RAB reported seizing nearly 133,000 tablets of yaba in 2007 through October, almost all of which came from the one Dhaka raid, compared to about 5,000 tablets in all of 2006 and less than 1,000 tablets in 2005. Heroin seizures by RAB through October 2007 were 19.8 kg, compared to 38.5 kg in all of 2006 and 341 kg in 2005. More than 80,000 bottles of phensidyl were seized through October, compared to nearly 190,000 bottles in all of 2006 and about 120,000 bottles in 2005.

Corruption. The Caretaker Government that came to power in January 2007 made fighting the country's endemic corruption a top priority. The chairman and members of the largely ineffective Anti-Corruption Commission were replaced with a new team led by a retired army chief. This new body has charged many of Bangladesh's leading politicians, businessmen and civil servants with graft. The Government also formed a National Coordination Committee to help with the graft investigations. Several task forces were set up to help the committee with its work in Dhaka and outlying districts. Between 100 and 200 high-profile graft suspects were in jail as of October 2007. RAB officials say the new environment has made it much more conducive to target suspected drug barons. The GOB does not, as a matter of government policy, encourage or facilitate illicit production or distribution of drugs or controlled substances or launder proceeds from their transactions. No senior official has been identified as engaging in, encouraging, or facilitating the production or distribution of drugs or controlled substances.

Agreements and Treaties. Bangladesh is a party to the 1988 UN Drug Convention, the 1961 UN Single Convention as amended by the 1972 Protocol, and the 1971 UN Convention on Psychotropic Substances. Bangladesh acceded to the UN Convention against Corruption in February 2007. The GOB and USG signed a Letter of Agreement on Law Enforcement and Narcotics Control (LOA) in September 2002 under which the U.S. provides equipment and technical assistance to the DNC and its central chemical laboratory. The LOA also provided for training, via the U.S. Department of Justice, to law enforcement personnel involved in counternarcotics activities.

Cultivation/Production. The DNC eradicated about 60,000 poppy plants and destroyed about 20 kg of poppy seeds in a single operation in early 2007. The DNC acknowledged that some small amount of cannabis is cultivated in the hill tracts near Chittagong, in the southern silt islands, and in the northeastern region, claiming it is for local consumption. The DNC also reported that as soon as knowledge of a cannabis crop reaches its officers, that crop is destroyed in concert with law enforcement agencies.

Drug Flow/Transit. Customs officials seized 23.5 kg of low-quality heroin at Dhaka's international airport on November 12, 2007. Media reported that two Bangladeshis, bound for China and suspected of belonging to an international drug smuggling syndicate, were arrested after the heroin was found in their luggage. A month earlier, the RAB reported the seizure of three kg of heroin from the Sylhet village home of a Bangladeshi UK resident who was in country on vacation. The heroin, according to RAB, came through India to Bangladesh from an unknown location. Two years earlier, two smuggling cases of about 75 kg of heroin to the UK and the resulting investigations by the GOB identified weaknesses in the country's narcotics-detection infrastructure. Bangladesh is situated between the Golden Crescent to the west and the Golden Triangle to the east, placing the country at continued risk for transit crimes. Opium-based pharmaceuticals and other medicinal drugs are being smuggled into Bangladesh from India. White (injectable) heroin comes in from Burma.

Domestic Programs (Demand Reduction). Law enforcement officials believe that drug abuse, while previously a problem among the ultra-poor, is becoming a major problem among the wealthy and well-educated young. Recent cases of yaba addiction in wealthy neighborhoods and on university campuses are of particular concern to the government. The GOB runs several domestic programs, but is not funding them at levels to ensure their success. The DNC sponsors rudimentary educational programs aimed at youth in schools and mosques, but there is little funding for these programs and no clear indication of their impact. In addition, the DNC currently runs outpatient and detoxification centers in Dhaka, Chittagong, Khulna, and Rajshahi. These centers only remove the drug from the addict's system; they do not address the underlying causes of individual addiction. Hence, they are not successful in assisting addicts to overcome their addiction over the long term. There are other, non-governmental centers with a variety of treatment therapies available. Unfortunately, most of these are quite expensive by Bangladeshi standards and therefore beyond the reach of most drug addicts. A drug addicts' rehabilitation organization, APON, operates five long-term residential rehabilitation centers, including the first center in Bangladesh for the rehabilitation of female addicts (opened in 2005). APON says it is the only organization that includes street children in its drug rehabilitation program.

IV. U.S. Policy Initiatives and Programs

Bilateral Cooperation. The USG continues to support Bangladesh's counternarcotics efforts through various commodities and training assistance programs. With State Department narcotics assistance funds, the U.S. Drug Enforcement Administration held a training seminar in Bangladesh in June 2007. Thirty-one counternarcotics officers—including participants from the Bangladesh Rifles border security force, the police, customs and DNC—participated in training that covered topics from operational planning and undercover operations to proper evidence handling and report writing. The instruction included drug identification using test kits supplied by the DEA, and hands-on training in proper handcuffing techniques. The U.S. Agency for International Development provides about \$3 million annually to Family Health International to implement the Bangladesh AIDS Program, which includes working with intravenous drug users. DOJ efforts to improve the anti-money laundering and financial intelligence capabilities of the Bangladesh Bank support counternarcotics activities in the country.

The Road Ahead. The USG will continue to provide law enforcement and forensic training for GOB officials, much of which will be useful to Bangladesh's counternarcotics efforts. The U.S. Embassy in Dhaka has about \$52,000 available from previous years in narcotics assistance funds that it plans to provide to APON to improve its facilities for rehabilitation of female drug addicts. In late 2007, the U.S. Embassy also began distributing to local narcotics enforcement agencies hundreds of kits to test for marijuana, methamphetamines and opiates.

India

I. Summary

India is the only country authorized by the international community to produce opium gum for pharmaceutical use, rather than concentrate of poppy straw (CPS), the processing method used by the other producers of opiate raw material. India's strategic location, between Southeast and Southwest Asia, the two main sources of illicit opium, make it a heroin transshipment area. Insurgent groups operating in the Northeast finance their activities through smuggling of drugs from Burma into India. Much of the hashish and cannabis intended for international markets is smuggled into India from Nepal. India produces heroin for both the domestic addict market and is a modest, but growing, producer of heroin destined for the international market. The Government of India (GOI) formally released the results of the National Drug Study (NDS) conducted in partnership with UNODC in 2004. Injecting drug use (IDU) of heroin, morphine base ("brown sugar" heroin) and opiate pharmaceuticals, particularly in the Northeast states bordering Burma, continues to be a concern, resulting in an extremely high incidence of HIV/AIDS in these populations. Major metropolitan areas increasingly report the use of cocaine, Ecstasy and other synthetic drugs among the wealthy elite.

The GOI continually tightens licit opium diversion controls, but some licit opium is diverted into illicit markets. India is a party to the 1988 UN Drug Convention.

II. Status of Country

Under the terms of international agreements, supervised by the International Narcotics Control Board, India must maintain licit opium production and carry-over stocks at levels no higher than those consistent with world demand to avoid excessive production and stockpiling, which could be diverted into illicit markets. India has complied with this requirement and succeeded in rebuilding stocks from below-recommended levels. Opium stocks now exceed minimum requirements, almost tripling between 1999 and 2003. From a stock of 509 metric tons in 1999/2000, stocks rose to 1,776 metric tons in 2004/05, but are now down to 1,401 metric tons at the end of the 2006/07 crop year.

Licensed farmers are allowed to cultivate a maximum of 10 "ares" (one tenth of a hectare). "Opium years" straddle two calendar years. All farmers must deliver all the opium they produce to the government alone, meeting a minimum qualifying yield (MQY) that specifies the number of kg of opium to be produced per hectare (HA), per state. The MQY is established yearly by the Central Bureau of Narcotics (CBN) prior to licensing. At the time the CBN establishes the MQY, it also publishes the price per kilo the farmer will receive for opium produced that meets the MQY, as well as significantly higher prices for all opium turned into the CBN that exceeds the MQY.

The MQYs are based on historical yield levels from licensed farmers during previous crops. Increasing the annual MQY has proven effective in increasing average yields, while deterring diversion. If the MQY is too low, farmers could clandestinely divert excess opium they produce into illicit channels, where traffickers often pay up to ten times what the GOI can offer. Thus, an accurate estimate of the MQY is crucial to the success of the Indian licit production control regime.

During the 2002/03-crop year, CBN began to estimate the actual acreage under licit opium poppy cultivation by using satellite imagery, then comparing it with exact field measurements. Since licit poppy cultivation is not confined to an enclosed area, many of the farmers inter-crop fields with other agricultural crops like soybean, wheat, garlic and sugarcane. This technology has also been used in conjunction with satellite imagery of weather conditions to compare cultivation in similar

geo-climatic zones to estimate potential crop yields, assess storm damage and determine whether opium was being diverted. The satellite results were then confirmed by on-ground CBN visits that measured each farmer's plot size. This year the CBN intends to use this technology to identify illicit cultivation of opium in various parts of the country as well.

Any cultivation in excess of five percent of the allotted cultivation area is uprooted, and the cultivator is subject to prosecution. During the lancing period, the CBN appoints a village headman for each village to record the daily yield of opium from the cultivators under his charge. CBN regularly checks the register and physically verifies the yield tendered at harvest. The CBN has also reduced the total procurement period of opium in order to minimize opportunities for diversion and deployed additional teams of officers from the Central Excise Department to monitor harvesting and check diversion. In 2006, the CBN also began experimenting with closed circuit television cameras to monitor the collection and weighing of opium gum.

In 2007, the CBN continued issuing microprocessor chip-based cards (Smart Identity Cards) to opium poppy cultivators. The card carries the personal details of the cultivator, the licensed area, the measured/test measured field area and the opium tendered by him to the CBN. The card also stores the previous years' data. The information stored on the card is read with handheld terminal/read-write machines that are provided to field divisions. CBN personnel will enter cultivation data into the cultivators' cards and the data will be uploaded to computers at CBN HQs and regional offices. The cards are delivered to cultivators at the time of licensing. For crop year 2005/2006, the project was expanded to include all of the 17 Opium Divisions, the three State Unit Headquarters and the Central Headquarters in Gwalior.

The GOI periodically raises the official price per kilo of opium, but illicit market prices are four to five, even ten times higher than the base government price. Farmers who submit opium at levels above the MQY receive a premium, but premium prices can only act as a modest positive incentive. In the 2005/2006 opium harvest year, CBN significantly decreased the number of hectares licensed from 8,771 in 2004/2005 to 6,976 in 2005/2006, and the number of farmers licensed from 87,682 in 2004/2005 to 72,478 in 2005/2006. This trend continued in 2006/2007, with a total of 5,913 hectares cultivated and 62,658 farmers under license. Much of this reduction took place in Uttar Pradesh, where CBN is in the process of phasing out opium cultivation. The estimated production for the 2006/07-crop year is 346 metric tons of opium.

Although there is no reliable estimate of diversion from India's licit opium industry, some diversion does take place. The GOI estimate is less than 10 percent of production. There is no evidence that significant quantities of opium or its derivatives diverted from India's fields reaches the U.S. In 2007, the GOI reports it seized 281 kg of licit opium, which had been diverted to illicit use.

Poppies harvested using concentrate of poppy straw (CPS) are not lanced, and since the dried poppy heads cannot be readily converted into a usable narcotics substance, diversion opportunities are minimal. However, it is inherently difficult to control diversion of opium gum collection because opium gum is collected by hand-scraping the poppy capsule, and the gum is later consolidated before collection by the government purchasing agents. The sheer numbers of Indian farmers, farm workers and others who come into contact with poppy plants and their lucrative gum make diversion appealing and hard to monitor. Policing these farmers on privately held land scattered throughout three of India's largest states is a considerable challenge for the CBN. All other legal producers of opium alkaloids, including Turkey, France, and Australia, produce narcotics raw materials using the CPS process. The GOI believes the labor-intensive gum process used in India is appropriate to the large numbers of relatively small-scale farmers who grow poppy in India.

Industrial processing of opium gum is difficult because a residue remains after the narcotic alkaloids have been extracted. This residue must be disposed of with appropriate environmental safeguards. Because of this, pharmaceutical opiate processing companies prefer using CPS for ease of extracting the opiate alkaloids, with the exception of certain companies, which have adapted their equipment and methods to be able to use gum opium.

To meet this challenge, the GOI has explored the possibility of converting some of its opium crop to the CPS method. The GOI is also examining ways to expand India's domestic opiate pharmaceutical processing industry and the availability of opiate pharmaceutical drugs to Indian consumers through ventures with the private sector. Regardless of the GOI's interest in CPS, the financial and social costs of the transfer and the difficulty of purchasing an appropriate technology are daunting. Since alkaloid extraction requires highly specialized equipment, some of the most obvious places where such equipment and technologies would be available, along with advice on how to use them, are in the other countries licensed to produce legal opiate alkaloids and thus in countries in direct competition with India for licit opium sales.

Morphine base ("brown sugar" heroin) is India's most popularly abused heroin derivative, either through smoking, "chasing" (i.e., inhaling the fumes) or injecting. Most of India's "brown sugar" heroin comes from diverted licit Indian opium and is locally manufactured. Indian "brown sugar" heroin is also increasingly available in Nepal, Bangladesh, Sri Lanka, and the Maldives. Most seized "white" heroin is destined for West Africa and Europe. Heroin seizures on the India/Pakistan border, which had plummeted during the recent period of Indian/Pakistani border tensions, are on the upswing.

III. Country Actions Against Drugs in 2007

Policy Initiatives. India's stringent Narcotic Drugs and Psychotropic Substances Act (NDPSA) of 1985 was amended in October 2001, bringing significant flexibility to the Indian sentencing structure for narcotics offenses. After rising for several years, arrests and prosecutions declined under the NDPSA in 2007. However, the overall conviction rate continues to increase, reaching 50 percent in 2006 (9,921 convictions) and 60 percent in 2007 (8,483 convictions). In certain cases involving repeat offenders dealing in commercial quantities of illegal drugs, the law allows for the death penalty, although there have been no such sentences to date.

In April 2003, GOI moved the Narcotics Control Bureau (NCB) from the Ministry of Finance to the Ministry of Home Affairs. The Ministry of Finance remains the GOI's central coordinating ministry for counternarcotics and continues to cooperate with the NCB. The move has enhanced the NCB's law enforcement capabilities and helped align the bureau with other GOI police agencies under the control of the Home Ministry.

Law Enforcement Efforts. Heroin and opium seizures were consistent with previous years, with 966 kg and 1,758 kg, respectively.. Seizure statistics for other drugs, such as cocaine, methaqualone and ephedrine, tend to fluctuate more dramatically as a result of larger single seizures. Interestingly, only one kg of methaqualone was seized in 2007 (vs. 4,521 in 2006), while the Government of India recorded its first seizure of LSD in the last five years. After several years of explosive growth, marijuana seizures are down (from 157,710 kg in 2006 to 60,123 kg in 2007), and hashish seizures have stabilized at between 3,000 and 4,000 kg per year.

The year 2006 saw a number of major seizures that indicate an increasing sophistication in the law enforcement response to illicit narcotics and precursor trafficking in and through India, which may help explain the lower seizure figures in most categories in 2007. In June 2006, in what was reported to be the largest cocaine seizure in Asia, the NCB seized 200 kg on a cargo ship in the port of Mumbai. The ship M.V. Voyager had been tracked from Ecuador through the Far East and into India. In August 2006, New Delhi Police seized 100 kg of ephedrine, 600 kg of Ketamine, and

4,400 kg of methaqualone in two separate operations. At least some of those drugs were in the process of being shipped to Canada using commercial express mail services. In September 2006, the NCB seized a total of 550 kg of ephedrine at two DHL locations in New Delhi, again destined for Canada. Using information from the September seizure, on October 18 the NCB raided a factory in New Delhi that was being established as a methamphetamine laboratory and arrested seven individuals and seized an additional 550 kg of ephedrine. In November, the NCB searched a container in the port of Calcutta and found extensive laboratory equipment that is believed was destined for a methamphetamine laboratory outside of New Delhi.

In 2005, a joint investigation by the DEA and NCB led to the dismantling of a major international pharmaceutical drug organization that was distributing controlled pharmaceuticals such as bulk ephedrine (a controlled precursor chemical) and Ketamine (a Schedule III non-narcotic controlled substance in the U.S.) internationally through the Internet. The international drug trafficking ring consisted of over 20 individuals in the U.S. and India, and may have had as many as 80,000 retail customers. The 108 kg of Indian Ketamine seized in the U.S. was valued at \$1.62 million. The total amount of U.S. money and property seized in this investigation was \$2 million dollars in India and \$6 million in the United States. In another joint investigation, DEA and NCB cooperated to take down another Internet pharmacy, resulting in the arrest of seven individuals in the United States and five in India.

Subsequent joint investigations have shown the continuing use of the Internet and commercial courier services to distribute drugs and pharmaceuticals of all kinds from India to the U.S. and other countries. Although ephedrine seizures within India were down in 2007, one seizure in the U.S. in September 2007 found 523 kg of ephedrine shipped through commercial carrier from India through the U.S. and headed to Mexico. The shipment was disguised as green tea extract. In the fall of 2005, Indian Customs seized five international mail packages that were found to contain a kg or more of Southwest Asian heroin destined for individuals in the United States, with controlled deliveries leading to the arrest of five individuals in the U.S. Heroin being smuggled into India from Afghanistan and Pakistan has picked up over the past two years, with West Africans often arrested as the carriers. This trend may continue as the border between Pakistan and India opens up to increasing commerce and travel. Although there have been fewer large seizures over the past year, the number of smaller seizures associated with couriers attempting to travel through India has increased.

Corruption. The Indian media periodically reports allegations of corruption against law enforcement personnel, elected politicians, and cabinet-level ministers of the GOI. The United States receives reports of narcotics-related corruption, but lacks the corroborating information to confirm those reports and the means to assess the overall scope of drug corruption in India. The GOI does not, as a matter of government policy, encourage or facilitate illicit drug production or distribution, nor is it involved in laundering the proceeds of the sale of illicit drugs. Similarly, we are not aware of any individual senior government official so involved. Both the CBN and NCB periodically take steps to arrest, convict, and punish corrupt officials within their ranks. The CBN frequently transfers officials in key drug producing areas to guard against corruption. The CBN has increased the transparency of paying licensed opium farmers to prevent corruption and appointing village coordinators to monitor opium cultivation and harvest. These coordinators receive 10 percent of the total paid to the village for its crops, in addition to what they receive for their own crops, so it is advantageous for them to ensure that each farmer under their jurisdiction turns in the largest possible crop. Still, despite the efforts of the overwhelming majority of honest officials, the documented movement of narcotics and precursor chemicals to illicit uses in India is consistent with a certain level of official corruption.

Agreements and Treaties. India is a party to the 1961 UN Single Convention on Narcotic Drugs and its 1972 Protocol, the 1971 UN Convention on Psychotropic Substances, and the 1988 UN

Drug Convention. India has contemporary mutual legal assistance and extradition treaties with the U.S. The MLAT has been in force since October 2005 and the extradition treaty, the replacement for the 1931 US-UK treaty, has been in force since 1999. India has signed but has not yet ratified the UN Convention against Transnational Organized Crime. The USG and the GOI signed a Customs Mutual Assistance Agreement on December 15, 2004.

Cultivation/Production. The bulk of India's illicit poppy cultivation has traditionally been confined to Arunachal Pradesh, the most remote of northeastern states, which has no airfields and few roads. The terrain is mountainous, isolated jungle, requiring significant commodity and personnel resources just to reach it. The poppies are often cultivated by tribal groups that consume the opium themselves, but there have been recent indications that cultivation there is becoming commercialized. The need to combat the many insurgencies in the Northeast states has limited the number of personnel available for such time-consuming, labor-intensive crop destruction campaigns. For those reasons, the GOI had not conducted any major poppy eradication campaign in the Northeast since 2000, when 200 hectares were destroyed. In early 2007, CBN launched a major operation in the Tirap District that resulted in the destruction of 800 hectares of opium poppy. Tirap is one of five districts of Arunachal Pradesh that border Burma and China and produce the bulk of illicit cultivation in the state.

Of greater concern was the discovery of more than 6,500 hectares of illicit opium cultivation in two districts of West Bengal (Murshidabad and Nadia). CBN and West Bengal police destroyed the crop in March, but the size of the area of cultivation raises concerns that local farmers have joined hands with larger, more organized drug syndicates, and that an effective law enforcement presence has been absent. Altogether, the Government of India reported that it destroyed 20,001 acres of illicit opium poppy plants in 2006/07, greatly exceeding that reported in previous years.

Another new trend that bears watching is the connection between illicit opium and marijuana cultivation and Maoist (Naxalite) insurgencies in other parts of the country. There are reports that insurgent groups in Jharkhand finance their operations through opium cultivation destined to be shipped for refining into heroin to laboratories in Uttar Pradesh that previously depended on diversion from the licit crop in that state for raw opium. Arrests in Andhra Pradesh indicate insurgents have sold marijuana to purchase arms.

Drug Flow/Transit. Although trafficking patterns appear to be changing, India historically has been an important transit area for Southwest Asia heroin from Afghanistan and Pakistan and, to a lesser degree, from Southeast Asia—Burma, Thailand, and Laos. India's heroin seizures from these two regions continue to provide evidence of India's transshipment role. Most heroin transiting India appears bound for Europe. Seizures of Southwest Asian heroin made in New Delhi and Mumbai tend to reinforce this assessment. However, the bulk of heroin seized in the past two years has been of domestic origin; it was seized in South India, and was apparently destined for Sri Lanka. Trafficking-groups operating in India fall into four categories. Most seizures in Mumbai and New Delhi involve West African traffickers. Traffickers who maintain familial and/or tribal ties to Pakistan and Afghanistan are responsible for most of the smuggling of Pakistani or Afghan heroin into India. Ethnic Tamil traffickers, centered primarily in Southern India, are alleged to be involved in trafficking between India and Sri Lanka. Indigenous tribal groups in the northeastern states adjacent to Burma maintain ties to Burmese trafficking organizations and facilitate the entry into Burma of precursor chemicals and into India of refined "white sugar" heroin through the porous Indo/Burmese border. In addition, insurgent groups in these states have utilized drug trafficking as a means to finance their operations against the Indian Government.

Indian-produced methaqualone (Mandrax) trafficking to Southern and Eastern Africa continues. Although South Africa has increased methaqualone production, India is still believed to be among the world's largest known clandestine methaqualone producers. Seizures of methaqualone, which

is trafficked in both pill and bulk forms, have varied widely, from 472 kg in 2005 and 4,521 kg in 2006 to one kg in 2007. Cannabis smuggled from Nepal is mainly consumed within India, but some makes its way to Western destinations.

India is also increasingly emerging as a manufacturer and supplier of licit opiate/psychotropic pharmaceuticals (LOPPS), both organic and synthetic, to the Middle East, Pakistan, Bangladesh and Afghanistan. Some of the LOPPS are licitly manufactured and then diverted, often in bulk. Some of the LOPPS are illicitly manufactured as well. Indian-origin LOPPS and other controlled pharmaceutical substances are increasingly being shipped to the U.S. DHS Customs and Border Protection are intercepting thousands of illegal “personal use” shipments in the mail system in the United States each year. These “personal use” quantity shipments are usually too small to garner much interest by themselves, and most appear to be the result of illegal Internet sales.

Domestic Programs/Demand Reduction. Newspapers frequently refer to Ecstasy and cocaine use on the Mumbai and New Delhi “party circuit,” but there is little information on the extent of their use. There has been a considerable amount of reporting in local newspapers indicating that the use of cocaine and Ecstasy is on the rise. While smoking “brown sugar” heroin and cannabis remain India’s principal drugs of abuse, intravenous drug use (IDU) of LOPPS is also present. In parts of India where intravenous drug users (IDUs) have been denied access to LOPPS, IDUs have turned to injecting “brown sugar” heroin. Various licitly produced psychotropic drugs and opiate painkillers, cough medicines, and codeine are just some of the substances that have emerged as the new drugs of choice. In 2004, the Ministry of Social Justice and Empowerment (MSJE) released a drug abuse study showing licit opiate abuse accounting for 43 percent of Indian drug abuse. Although drug abuse cuts across a wide spectrum of Indian society, more than a quarter of drug abusers are homeless, nearly half are unmarried, and 40 percent had less than a primary school education. Itinerant populations (e.g., truck drivers) are extremely susceptible to drug use. Widespread needle sharing has led to high rates of HIV/AIDS and while the illicit supply chain delivers drugs varying wildly in purity, with the result of overdoses in some locations. The states of Manipur and Nagaland are among the top five states in India in terms of HIV infection (disproportionately affecting the 15- to 30-year old population in these states), primarily due to intravenous drug use.

The popularity of injecting licit pharmaceuticals can be attributed to four factors. First, they are far less expensive than their illegal counterparts. Second, they provide quick, intense “highs” that many users prefer to the slower, longer-lasting highs resulting from heroin. Third, many IDUs believe that they experience fewer and milder withdrawal symptoms with pharmaceutical drug use. Finally, licit opiate/psychotropic pharmaceuticals are widely available and easy to obtain since virtually any drug retail outlet will sell them without a prescription.

The MSJE has a three-pronged strategy for demand reduction, consisting of building awareness and educating people about drug abuse, dealing with addicts through programs of motivational counseling, treatment, follow-up and social reintegration, and training volunteers to work in the field of demand reduction. The MSJE’s goal is to promote greater community participation and reach out to high-risk population groups with an on-going community-based program for prevention, treatment and rehabilitation through some 400 NGOs throughout the country. The MSJE spends about \$5 million on NGO support each year. It also has treatment and rehabilitation programs in nearly 100 government-run hospitals and primary health centers.

IV. U.S. Policy Initiatives and Programs

Bilateral Cooperation. The United States has a close and cooperative relationship with the GOI on counternarcotics issues. In September 2003, the United States and India signed Letter of Agreement (LOA) amendments to provide State Department drug assistance funding worth \$2.184

million for counternarcotics law enforcement. In 2004, another \$40,000 was added to the LOA. In 2004, a Customs Mutual Assistance Agreement was signed. The U.S. and India have had a long-standing extradition relationship; however, India's efforts to bring about prompt conclusion of extradition proceedings have been poor.. The USG has repeatedly asked the GOI to take steps to bring extradition proceedings to fruition more promptly. However, in January 2008, India finally concluded the extradition on narcotics trafficking charges of Sarabeet Singh, which had been underway since 2002. In 2006, India's NCB provided prompt and effective cooperation under the MLAT in connection with a narcotics prosecution in EDPA; other requests have been stalled, however.. The USG hopes to consult with India soon on MLAT implementation.

The Road Ahead. The NCB's move to the Ministry of Home Affairs has enhanced the U.S. relationship with the Ministry and NCB. In recent years, DEA offered more courses to more law enforcement officials from a wider variety of state and central government law enforcement agencies than ever before. Other training included standard and advanced boarding officer training by the USCG. Our joint LOA Monitoring Committee Meetings with the GOI ensure that funds achieve desired results, or are otherwise reprogrammed to higher priority projects. The LOA project to enhance and improve NCB's intelligence gathering and information sharing will enable it to better target drug traffickers and improve its cooperation with DEA. Another project managed by the Ministry of Finance trains law enforcement officials across India on asset forfeiture regulations. The USG also is supporting efforts to build the capacity of Indian law enforcement agencies to fight international narcotics trafficking by providing them with badly needed commodities and equipment. The United States will continue to explore opportunities to work with the GOI in addressing drug trafficking and production and other transnational crimes of common concern.

V. Statistical Tables

Drug seizure statistics are kept by the NCB (Ministry of Home Affairs) and updated on a monthly basis. The accuracy of the statistics is dependent upon the quality and quantity of information received by the NCB from law enforcement agencies throughout India. Statistics relative to opium cultivation and production are kept by the CBN (Ministry of Finance). Note: Not all information is available in all categories

Poppy Cultivation

Poppy cultivation/harvest in hectares. Final figures for opium gum yields in metric tons at 90 percent consistency; provisional yields at 70 percent consistency

Average yield of gum per hectare in kg

	2006/07	2005/06	2004/05
Hectares Licensed	6,269	7,252	7,901
Farmers Licensed	62,658	72,478	79,016
Hectares Harvested	5,913	6,976	7,833
Gum Yield (MT)	346	N/A	N/A
Opium Yield (kg/ha)	58.5	59.9	N/A

	2007/08 (Estimate)
Hectares Licensed	4,680
Farmers Licensed	N/A
Hectares Harvested	N/A
Gum yield (MT)	282
Opium Yield (kg/ha)	60.3

Opium prices paid to farmers in rupees (RS. 39 equals one USD). The price of opium for the 2007/08 crop year has yet to be declared by the GOI

	2006/7	2005/6	2004/5
44-54 kg/ha	800-1075	750-1075	756-1076
55-70 kg/ha	1100-1600	1100-1600	1102-1601
71-100+ kg/ha	1625-2200	1625-2200	1627-2205

Drug Seizures 2005-2007 (2007 statistics through December; 2006 figures revised)

	UNIT	2007	2006	2005
Opium	kg	1,758	2,826	2,009
Morphine	kg	15	36	47
Heroin	kg	966	1182	981
Cannabis	kg	76,635	157,710	153,660
Hashish	kg	3,776	3,852	3,965
Cocaine	kg	5	206	4
Methaqualone	kg	1	4,521	472
Ephedrine	kg	295	1,276	8
LSD	Sq. Paper	112	0	0
Acetic Anhydride	kg	857	133	300
Amphetamine	kg	0	0	0

PERSONS	2007*	2006	2005
Arrested	13,881	20,688	19,746
Prosecuted	14,194	19,582	20,138
Convicted	8,483	9,921	9,074

*Through December

Nepal

I. Summary

Although Nepal is neither a significant producer of nor a major transit route for narcotic drugs, hashish, heroin and domestically produced cannabis are trafficked to and through Nepal every year. An increase in the number of Nepalese couriers apprehended by the police in 2007, suggests that Nepalese are becoming more involved in trafficking. Moreover, Nepal's Narcotics Drug Control Law Enforcement Unit (NDCLEU) reports that more Nepalese citizens are investing in, and taking a larger role in running, trafficking operations. Customs and border controls remain weak, but international cooperation has resulted in increased narcotics-related indictments in Nepal and abroad. Nepalese officials claim the end of the Maoist insurgency has slightly improved interdiction and monitoring efforts in previously inaccessible parts of the country. The Government of Nepal continues to push legislative efforts to increase control over the trafficking of precursor chemicals between India and China. Nepal is a party to the 1988 UN Drug Convention.

II. Status of Country

Police confirm that production of cannabis is on the rise in the southern areas of Nepal, and that most is destined for the Indian market. Abuse of locally grown and wild cannabis and locally produced hashish, which is marketed in freelance operations, remains widespread. Heroin from Southwest and Southeast Asia is smuggled into Nepal across the porous border with India and through Kathmandu's international airport. Legal, codeine-based medicines continue to be abused. Nepal is not a producer of chemical precursors but serves as a transit route for precursor traffic between India and China.

Monitoring and interdiction efforts have improved since the official end in 2006 of the Maoist insurgency, which had obstructed rule-of-law and counter narcotic efforts in many parts of the country. The NDCLEU reports that the Maoists no longer levy a tax of 200 Nepali rupees per kg (approximately \$3.20 in 2007 U.S. dollars) on cannabis production.

III. Country Actions Against Drugs in 2007

Policy Initiatives. Nepal's basic drug law is the Narcotic Drugs Control Act, 2033 (1976). Under this law, the cultivation, production, preparation, manufacture, export, import, purchase, possession, sale, and consumption of most commonly abused drugs is illegal. The Narcotics Control Act, amended last in 1993, conforms in part to the 1961 UN Single Convention on Narcotic Drugs and its 1972 Protocol by addressing narcotics production, manufacture, sales, import, and export. The government is planning to amend the Act to incorporate provisions for psychotropic substances, demand reduction, treatment and rehabilitation.

In 2006, the Home Ministry updated the ten-year-old Narcotics Control National Policy. Noting the growing incidence of HIV infection among narcotics-using sex workers, abuse of narcotics and psychotropic medicines among youth, and illicit trafficking by organized mafia, the new policy attempts to address these concerns in a more "transparent and enforceable" manner. It consists of five strategies to control drug production, abuse and trafficking: (1) supply control, (2) demand reduction (treatment and rehabilitation and drug abuse prevention), (3) risk reduction, (4) research and development, and (5) collaboration and resource mobilization.

To ensure institutional support, the 2006 policy called for the creation of a Narcotics Control Bureau in the Ministry of Home Affairs that would include the NDCLEU and a special Nepal Police Task Force trained in counter narcotics. As of November 2007, this Bureau has yet to be

made functional. In addition, the National Policy established a high-level Narcotics Control National Guidance and Coordination Committee, chaired by the Home Minister, and a Narcotics Control Executive Committee, chaired by the Home Secretary. These entities exist and reportedly oversee all narcotics control programs, law enforcement activities, and legal reforms.

Nepal is actively implementing a National Drug Abuse Control Plan (NDACP), but other proposed efforts still await legislative approval. Legislative action on mutual legal assistance and witness protection, developed as part of the NDACP, has stalled for another year. The government has not submitted scheduled amendments to its Customs Act to control precursor chemicals. Legislation on asset seizures, drafted in 1997 with United Nations Office on Drugs and Crime (UNODC) assistance, is also awaiting approval. All are under review by the Ministry of Law and Justice. Legislation on criminal conspiracy has not yet been drafted.

In response to reports from the NDCLEU of increased trafficking and criminal behavior among tourists, the government has restricted the travel of several countries' nationals to Nepal. Citizens of Nigeria, Swaziland, Ghana, Zimbabwe, Iraq, Afghanistan, and residents of the Palestinian territories are unable to obtain visas on arrival. The Home Ministry and the NDCLEU reported that Nigerians in particular travel on false passports to Nepal, via South Africa and India, to widen their organized crime network and traffic heroin, humans and arms.

Law Enforcement Efforts. The NDCLEU has developed an intelligence wing, but its effectiveness remains constrained by limited human resources and inadequate technological equipment. Coordination and cooperation among NDCLEU and Nepal's customs and immigration services, while still problematic, are improving. Narcotics officials admit that the destruction of areas of illicit drugs cultivation is not as effective as it could be; however, final statistical data for 2006 indicate an improvement over 2005. In 2006, 328 hectares of cannabis cultivation were destroyed, compared to 121 hectares in 2005. In 2005, 4 hectares of opium cultivation were destroyed; data was unavailable for 2006. Nepal does not have a crop substitution program.

The NDCLEU reports that arrests and drug seizures increased in 2007. From January-September 2007, police arrested 78 foreigners (13 in Kathmandu) and 524 Nepalese citizens (115 in Kathmandu) on the basis of drug trafficking charges—as compared to all of 2006, when police arrested 46 foreigners and 473 Nepalese citizens. Local police made 80 percent of the arrests in 2007, while the NDCLEU accounted for the remaining 20 percent. In the same time period, the NDCLEU and local units reportedly seized 7,731 kg of cannabis—more than twice as much as the amount of cannabis seized in all of 2006 (3,624 kg). The NDCLEU also seized 15 kg of heroin from January-September 2007, comparable to the amount seized in all of 2006. Most of the seizures were of “brown sugar”—low quality heroin smuggled from India. Police made relatively few seizures of more expensive white heroin from Afghanistan. The NDCLEU further reported the seizure of 3,843 kg of hashish (2,517 kg in 2006) in Nepal from January-September 2007. Most seizures of heroin and hashish in 2007 occurred along the Nepal-Indian border, within Kathmandu, or at Tribhuvan International Airport (TIA) as passengers departed Nepal. The NDCLEU did not report seizures of opium for 2006 or 2007.

Corruption. Nepal has no laws specifically targeting narcotics-related corruption by government officials, although provisions in both the Narcotics Control Drug Act of 1976 and Nepal's anticorruption legislation can be employed to prosecute any narcotics-related corruption. As a matter of government policy, Nepal neither encourages nor facilitates illicit production or distribution of narcotics, psychotropic drugs, or other controlled substances, nor the laundering of proceeds from illegal drug transactions.

Agreements and Treaties. Nepal is party to the 1988 UN Drug Convention, the 1961 UN Single Convention, as amended by the 1972 Protocol, and the 1971 UN Convention on Psychotropic

Substances. Nepal has signed but has not yet ratified the UN Convention against Transnational Organized Crime and the UN Convention against Corruption.

Cultivation/Production. Cannabis is an indigenous plant in Nepal, and cultivation of certain selected varieties is rising, particularly in the lowland region of the Tarai. There is some small-scale cultivation of opium poppy, but detection is difficult since it is interspersed among licit crops. Nepali drug enforcement officials reported that all heroin seized in Nepal originated elsewhere. Nepal does not produce precursor chemicals. Importers of dual-use precursor chemicals must obtain a license and submit bimonthly reports on usage to the Home Ministry.

According to the Home Ministry, there have been no seizures of precursor chemicals since 1997. There have been no reports of the illicit use of licensed imported dual-use precursor chemicals. Nepal is used as a transit route to move precursor chemicals between India and China. With ratification of the SAARC Convention on Narcotics Drugs and Psychotropic Substances, which holds countries liable for policing precursor chemicals, the Home Ministry said it planned to assert control over precursor chemicals. These chemicals are currently under the jurisdiction of the Ministry of Health and are not carefully monitored for abuse. As of November 2007, the government is still reviewing policies for the control and regulation of precursor chemicals for a proposed amendment to the Narcotics Drugs Control Act.

Drug Flow/Transit. According to NDCLEU, evidence from narcotics seizures suggests that narcotics transit Nepal from India, Pakistan, and Afghanistan to other countries in the region and to Europe, the U.S. and Japan. Media reports have claimed that most narcotics are bound for India, and law enforcement sources indicated that most seizures do occur at the India/Nepal border. Government officials report that 2007 saw considerable improvements in stemming drug flow and transit through Nepal and better border security compared to previous years. Nevertheless, the NDCLEU says customs and border controls are weak along Nepal's land borders with India and China, while the Indian border is essentially open. Security measures to interdict narcotics and contraband at TIA and at Nepal's regional airports with direct flights to India are also inadequate. The Government of Nepal (GON), along with other governments, is working to increase the level of security at the international airport, and the Nepal Army is detailed to assist with airport security. The NDCLEU took the increase in arrests of Nepalese couriers in other countries as an indication that Nepalese were becoming more involved in the drug trade both as couriers and as traffickers. This also suggests that Nepal may be increasingly used as a transit point for destinations in South and East Asia, as well as in Europe-particularly Spain, the Netherlands and Switzerland. The NDCLEU has also identified the United States as a final destination for some drugs transiting Nepal, typically routed through Bangkok.

Domestic Programs (Demand Reduction). The GON has continued to implement its national drug demand reduction strategy in association with the Sri Lanka-based Colombo Plan, assistance from the United States, UNODC, donor agencies, and NGOs. However, resource constraints have limited significant progress.

IV. U.S. Policy Initiatives and Programs

Policy Initiatives. U.S. policy is to strengthen Nepal's law enforcement capacity to combat narcotics trafficking and related crimes, to maintain positive bilateral cooperation, and to encourage Nepal to enact and implement appropriate laws and regulations to meet all objectives of the 1988 UN Drug Convention.

Bilateral Cooperation. The United States works with GON agencies to provide expertise and training in enforcement. Nepal exchanges drug trafficking information with regional neighbors and occasionally with destination countries in Europe in connection with international narcotics investigations and proceedings.

The Road Ahead. The United States will continue information exchanges, training, and enforcement cooperation. The United States will provide support to various parts of the legal establishment to combat corruption and improve rule of law, as well as support improvements in the Nepali customs service. The United States also will encourage the GON to enact stalled drug legislation.

Pakistan

I. Summary

Pakistan is on the frontline of the war against drugs as a major transit country for opiates and hashish from neighboring Afghanistan. In 2007, there was frequent conflict between militants and Pakistani forces near the border with Afghanistan, especially in the Federally Administered Tribal Areas (FATA) regions of North and South Waziristan, and increasingly in the settled areas of the Northwest Frontier Province. The imperative of combating militants in the FATA diverted resources and political attention away from Pakistan's goal of returning to a poppy-free status, and Pakistan saw an increase of poppy cultivation in 2007. Roughly 2,315 ha were cultivated in 2007 compared to cultivation of approximately 1,908 ha in 2006. Over 600 ha were eradicated, impressive under the circumstances, bringing harvested poppy down to 1,701 ha. A large opium processing lab in Baluchistan was destroyed by the ANF (Anti-Narcotics Force) in June 2006. The Government of Pakistan (GOP) maintains that no opiate laboratories have been detected operating in Pakistan. The number of drug addicts in Pakistan is estimated to be from two to three million.

GOP counternarcotics efforts are led by the Anti-Narcotics Force under the Ministry of Narcotics Control. The long-anticipated GOP five-year Master Drug Control Plan, due in early 2007, has not been approved or released to date by the ANF. This is a concern. The past year has seen major counternarcotics interdictions by the Frontier Corps Baluchistan and the Pakistan Coast Guards. Customs and Excise, the Maritime Security Agency, and the Home Departments of the Northwest Frontier Province (NWFP) and Baluchistan Province also are active in disrupting traffickers. Counternarcotics cooperation between the GOP and the United States has long been strong. U.S. assistance programs in counternarcotics and border security continue to strengthen the capacity of law enforcement agencies and improve their access to remote areas where much of the drug trafficking takes place, evidenced by 11 MT of heroin and 15 MT of opium seized in 2007. The 1931 US-UK extradition treaty is in force with respect to Pakistan; however, it is outmoded. Pakistan's Extradition Act is also in need of modernization. Extradition to the United States of persons charged with narcotics offenses and other crimes continues to be delayed for years due to judicial and administrative delays, with GOP authorities taking little action to resolve judicial delays. Pakistan is a party to the 1988 UN Drug Convention. The US-Pakistan Joint Working Group on law Enforcement and Counter-Terrorism has met four times; it is anticipated that the next meeting will occur in 2008. The JWG is chaired at the Ministerial level on the Pakistan side and Assistant Secretary-level on the U.S. side, and addresses the effectiveness of U.S. counternarcotics programs in Pakistan and other law enforcement cooperation.

II. Status of Country

The GOP is committed to regaining the poppy-free status it reached in 2001. Since then tensions between the GOP and Pakistan's tribal populations on the Afghan border have increased. Small cultivators in remote areas tried to exploit this tension by resuming poppy cultivation at levels not seen for a decade. Poppy cultivation went from 213 ha in 2001 to 7,571 ha in 2004. The GOP responded with forceful eradication campaigns, destroying 4,400 ha in 2004. Thus Pakistan reversed the trend in 2005 and 2006, reducing the poppy harvest (i.e., after eradication) to 1,549 ha by 2006. In the tribal belt where militant activity is a continuous threat, 2,315 ha were cultivated this year. Under these circumstances, and given the temptation to look the other way to win over these locals from extremism, the net harvest of only 1,701 ha, while a turn in the wrong direction clearly shows that the authorities are seriously committed to poppy eradication.

Opium production in neighboring Afghanistan is at an all-time high, particularly near the Pakistan border. Since poppy cultivation continues to rise in Afghanistan, Pakistan remains a significant

transit country of heroin, morphine, opium, and hashish, and is a conduit to Iran, the Arabian Peninsula, East Asia, and Africa by land and sea. The U.S.-funded Border Security Project, which began in 2002, is building GOP interdiction capabilities along the 1600-kilometer Afghan border, as demonstrated by drug seizures in 2007 by border security forces. However, successfully interdicting drug shipments is difficult given the vast terrain, the sheer number of smuggling routes, and the fact that smugglers are well armed and not afraid to engage GOP forces.

Pakistan's position as a major drug transit country has fueled domestic addiction, especially in areas of poor economic opportunity and physical isolation. The GOP estimates that they have two to three million drug addicts in the total population of 162 million, although no accurate figure exists. In 2000, the UNODC's National Assessment on Drug Abuse estimated that there were 500,000 chronic heroin abusers that year and identified a new trend of injecting narcotics, which raised concerns about HIV/AIDS. The 2006 UNODC survey estimates 628,000 opiate users in Pakistan. The UNODC survey reveals that the number of chronic heroin abusers has increased and that the numbers of injecting drug users has doubled in the last 6 years from 60,000 to 125,000, with alarming implications for Hepatitis and HIV infection rates.

Pakistan has established a chemical control program that closely monitors the importation of controlled chemicals used to manufacture narcotics. It is possible that significant quantities of diverted precursor chemicals transit Pakistan, but there is no indication that Pakistan is a source country for these precursor chemicals. The ANF and DEA are working to determine the routes and methods utilized by traffickers to smuggle chemicals through Pakistan into Afghanistan. Most Afghan labs are in Helmand province near the Baluchistan border or in Nangahar near the Khyber Agency in the NWFP. DEA continues to provide the ANF with information regarding chemical seizures that occur in Afghanistan and that may be linked to Pakistani smuggling groups and/or chemical companies, to facilitate further investigation within Pakistan.

III. Country Actions Against Drugs in 2007

Policy Initiatives. The ANF, in coordination with UNODC, continues to work on developing a five-year plan to interdict and eradicate narcotics in Pakistan. Publication of the national plan was anticipated in early 2007, and delay in its release is a concern. The goal of the plan is to identify prioritized strategies, agency responsibilities, and funding requirements for attacking drug supply and demand. The GOP also seeks to regain "poppy-free" status, which it had secured from the United Nations in 2001, by enforcing a strict "no tolerance" policy for cultivation. Federal and provincial authorities continue anti-poppy campaigns in both Baluchistan and NWFP, informing local and tribal leaders to observe the poppy ban or face forced eradication, fines, and arrests. Security concerns in the Khyber Agency, where the majority of Pakistani poppy continues to be harvested, prevented full realization of the GOP's goal to be "poppy-free" in 2006-2007.

ANF is the lead counternarcotics agency in Pakistan. Other law enforcement agencies have counternarcotics mandates, including the Frontier Corps Baluchistan (FCB) and Frontier Corps NWFP (FCN), the Pakistan Coast Guards, the Maritime Security Agency, the Frontier Constabulary (FCONS), the Rangers, Customs and Excise, the police, and the Airport Security Force (ASF). The GOP approved significant personnel expansions for the ANF, the FCB and FCN, and the FCONS in 2006 and 2007. The Pakistan Coast Guard has started using counternarcotics cells to better coordinate and execute counternarcotics operations.

Law Enforcement Efforts: In 2007, GOP law enforcement and security forces reported seizing 10.9 MT (MT) of heroin/morphine and 15.3 MT of opium. 93.8 MT of hashish was also seized in this time period.

According to the ANF, in 2007, all GOP law enforcement authorities reported arresting 50,100 individuals (48,724 cases) on drug-related charges for 2007. The ANF itself had 1,702 cases

pending, 1,187 from 2006 and 515 new cases through September 2007. Of that total there were 301 convictions through October 1, 2007. The great majority of narcotics cases that go to trial continue to be uncomplicated drug possession cases involving low-level couriers and straightforward evidence. The problematic cases tend to involve more influential, wealthier defendants. To date the ANF continues to prosecute appeals in seven long-running cases in the Pakistani legal system against major drug traffickers, including Munawar Hussain Manj, Sakhi Dost Jan Notazai, Rehmat Shah Afridi, Tasnim Jalal Goraya, Haji Muhammad Iqbal Baig, Ashraf Rana, and Muhammad Ayub Khan Afridi.

Since many strong cases were reversed on appeal, in an effort to address those reversals, the ANF has hired its own special prosecutors. The ANF also added additional attorneys as part of its expansion. The DEA continues to advance the concept of conspiracy investigations (i.e., active planning with serious intent to commit a crime) with the ANF to target major traffickers. Through September 30, 2007, drug traffickers' assets totaling Rs 110.8 million rupees (about \$1.8 million USD) remained frozen.

In 2005, Prime Minister Shaukat Aziz approved 1,166 new positions for the ANF with the first group of 600 graduating in mid-2007. The GOP also approved an increase of 10,264 personnel for the Frontier Corps Baluchistan to increase their capacity along the border with Afghanistan and Iran. In 2000, the DEA-vetted and funded the ANF Special Investigative Cell (SIC) to target major drug trafficking organizations operating in Pakistan. Each vetted investigator undergoes a thorough screening and a five week training course at the DEA training facility in Quantico.

Corruption. The United States has no evidence that the GOP or any of its senior officials encourage or facilitate the illicit production or distribution of narcotic or psychotropic drugs or other controlled substances or the laundering of proceeds from illegal drug transactions. However, with government salaries low and societal and government corruption endemic, it is not surprising that some narcotics-related corruption among government employees occurs. The National Accountability Bureau (NAB), a Pakistani agency tasked with investigation and prosecution of corruption cases (not only narcotics-related), reports that it received 13,722 complaints of corruption in 2006, of which it investigated 701 cases and completed 241 cases. The investigations resulted in 165 arrest warrants and 46 convictions. NAB recovered Rs.930 million rupees (almost \$15.5 million) from officials, politicians, and businessmen in 2006 through plea bargains and voluntary return arrangements.

Agreements and Treaties: Pakistan is a party to the 1988 UN Drug Convention, the 1961 UN Single Convention as amended by the 1972 Protocol, and the 1971 Convention on Psychotropic Substances. The United States provides counternarcotics and law enforcement assistance to Pakistan under a Letter of Agreement (LOA). This LOA provides the terms and funding for cooperation in border security, opium poppy eradication, narcotics law enforcement, and drug demand reduction efforts. There is no mutual legal assistance treaty between the U.S. and Pakistan, nor does Pakistan have a mutual legal assistance law and has not been helpful with U.S. requests. The U.S. and Pakistan's extradition agreement is carried out under the terms of the 1931 U.S.-U.K. Extradition Treaty, which continued in force after Pakistan gained independence in 1947. The treaty, as well as Pakistan's Extradition Act are outmoded. Lack of action by Pakistani authorities and courts on pending extradition requests for four drug-related cases continues to be of concern to the United States. Obstacles to extradition include inexperience of GOP public prosecutors, the existence of an interminable appeals process that tolerates defense-delaying tactics, and corruption. There is a similar lack of action in responding to U.S. requests for mutual legal assistance. Pakistan is a party to the UN Convention against Corruption, and has signed, but has not yet ratified the UN Convention on Transnational Organized Crime.

Cultivation/Production: Through interagency ground monitoring and aerial surveys, the GOP and USG confirmed that Pakistan's poppy harvest increased by roughly 400 ha. In 2007, Pakistan cultivated 2,315 ha compared to cultivation of approximately 1,908 ha in 2006. The actual number of ha harvested only increased by around 200 ha to 1,701 due to a strong eradication effort. Based on the GOP's methodology for determining poppy crop yield, which estimates that approximately 25 kg of opium are produced per hectare of land cultivated, Pakistan's potential opium production was approximately 42.5 MT in 2007.

Cultivation in the "non-traditional" areas in NWFP remained almost completely contained this year, with Kala Dhaka as the only trouble spot. The USG does not fund any application of aerially applied herbicides in Pakistan.

The NWFP Government struggled this year to contain and eradicate poppy in the FATA agencies where both the Pakistani Army and the FCN are combating an aggressive militancy with elements of al-Qaida. Both the FCN and FCB engage frequently with militants and have limited resources to combat poppy cultivation. In Khyber, eradication efforts are limited to the lower Barra river valley. The upper Barra poses the risk of armed confrontation with poppy growers and militants controlling the high ground. Politically, some officials are reluctant to enforce eradication efforts in some places because they might disrupt community acquiescence to counterterrorism operations. In addition, extensive efforts to combat militants mean that there are shortages of law enforcement forces to enforce eradication. Ground monitoring teams continue to observe, particularly in Khyber, a trend of increased cultivation within walled compounds to prevent eradication.

Drug Flow/Transit: Although no exact figure exists for the quantity of narcotics flowing across the Pakistan-Afghan border, Pakistan's Anti-Narcotics Force estimates that 36 percent of illicit opiates exported from Afghanistan transit Pakistan en route to Iran, Western Europe, the Middle East, the Arabian Peninsula, Africa, and East Asia. The UNODC's Afghanistan Opium Survey 2007 notes that 193,000 ha of poppy were cultivated in 2007. This large increase in poppy cultivation in Afghanistan almost certainly means more opiates transiting Pakistan as well as the possibility of escalating domestic drug use in Pakistan. The GOP is alert to the possibility that law enforcement efforts in Afghanistan could push Drug Trafficking Organizations (DTOs) and labs into Pakistan. Many of the DTOs already have cells throughout Pakistan, predominantly in remote areas of Baluchistan where there is little or no law enforcement presence. DTOs in Pakistan are still fragmented and decentralized, but individuals working in the drug trade often become "specialists" in processing, transportation, or money laundering and sometimes act as independent contractors for several different criminal organizations.

Pakistan is a major consumer of Afghan heroin. But most of the heroin is smuggled through Pakistan to more lucrative markets in Iran, the Arabian peninsula, and onward to Europe, including Russia and Eastern Europe. The balance goes to the Western Hemisphere and to Southeast Asia where it appears to supplement opiate shortfalls in the Southeast Asia region. Couriers intercepted in Pakistan are en route to Africa, Nepal, India, Europe, Thailand, China, Bangladesh, Sri Lanka, and the Middle East (especially the United Arab Emirates (UAE)). The ANF believes precursor chemicals are most likely smuggled through UAE, Central Asia, China, and India, and that mislabeled containers of acetic anhydride form part of the cargo in the Afghan transit trade. Ecstasy, Buprenorphine (an opiate adapted for use in the treatment of opiate addiction), and other psychotropics are smuggled from India, UAE, and Europe for the local Pakistani market. The ANF has seized small amounts of cocaine smuggled into the country by West African DTOs.

Afghan opiates trafficked to Europe and North America enter Pakistan's Baluchistan and NWFP Provinces and exit either through Iran or Pakistan's Makran coast or through international airports located in Pakistan's major cities. The ANF reports that drugs are being smuggled in the cargo holds of dhows to Yemen, Oman, Saudi Arabia, and United Arab Emirates via the Arabian Sea.

Traffickers also transit land routes from Baluchistan to Iran and from the tribal agencies of NWFP to Chitral, where they re-enter Afghanistan at Badakhshan Province for transit through Central Asia.

In Baluchistan, drug convoys are now smaller, typically two to three vehicles with well-armed guards and forward stationed scouts, who usually travel under cover of darkness. Several years ago there were seizures of 100-kg shipments, but now traffickers are transporting smaller quantities of drugs through multiple couriers, both female and male, to reduce the size of seizures and to protect their investment. This is evidenced by the 20-30 kg seizures, which are now typical. Other methods of shipment include inside false-side luggage or concealed within legal objects (such as cell phone batteries or carpets), the postal system, or strapped to the body and concealed from drug sniffing dogs with special sprays. The ANF reports that traffickers frequently change their routes and concealment methods to avoid detection. West African traffickers are using more Central Asian, European, and Pakistani nationals as couriers. An increasing number of Pakistani females are being used as human couriers through Pakistan's international airports. In 2007, the GOP has also detected an increase in narcotics, both opium and hashish, traveling through Pakistan to China via airports and land routes. Arrests of couriers traveling via Pakistan to China have increased significantly.

Demand Reduction. Concerned about an increasing number of drug addicts in Pakistan, the GOP, in coordination with the UNODC, completed a drug use survey. The survey indicates that Pakistan has approximately two to three million drug addicts, with around 628,000 opiate abusers. The alarming trend from the survey is the near doubling of the number of injecting drug users to an estimated 125,000. The drug-users in the survey self reported that eight percent of them were HIV positive, 11 percent reported being infected with Hepatitis and 18 percent reported being infected with Tuberculosis. With the increased use of intravenous drug abuse these diseases have the potential to spread rapidly. The GOP views addicts as victims, not criminals. Despite the perseverance of a few NGOs and the establishment of two GOP model drug treatment and rehabilitation centers in Islamabad and Quetta, drug users have limited access to effective detoxification and rehabilitation services in Pakistan. The ANF is also tasked with reducing demand and increase drug use awareness.

In 2007, the ANF continued to conduct a number of drug abuse awareness programs, including a series of UNODC and USG-funded demand reduction workshops on raising the awareness of district officials and highlighting the increasing number of women identified as drug abusers. The ANF organized seminars for religious leaders in each provincial capital. The USG funds a drug treatment center in Peshawar via contributions to the Colombo Plan Secretariat, extending an already-successful program with a local NGO. The USG also funded outreach/drop-in centers in Karachi, Quetta, and Peshawar via the Colombo Plan, as well as directly funding four outreach centers in the FATA. Other USG-funded programs include technical support and assistance to aid UNODC's drug use survey, a study on drug addiction in women, creation of youth groups to prevent drug abuse through organized alternative activities, and media messages and information dissemination. In GOP rehabilitation and detoxification centers, the ANF uses a symptomatic method, utilizing Restoril and Dyzopan, when necessary.

The ANF plans to implement other projects to increase community participation in demand reduction, including the establishment of a national awareness media campaign. While the GOP has the political will to do more, it lacks the human and technical resources and an updated, comprehensive demand reduction strategy. We expect the results of the new drug use survey to propel the GOP to create a comprehensive strategy.

IV. U.S. Policy Initiatives and Programs

Policy Initiatives. It is becoming increasingly clear that there is at least a financial link between local militancy and opiates in South Asia. The United States maintains several counternarcotics policy objectives in Pakistan that are in sync with America's larger goals to block insurgency on the Pak-Afghan border and prevent terrorist support in the FATA and Baluchistan. These objectives are to continue to help the GOP fortify its borders and coast against drug trafficking and terrorism, support expanded regional cooperation, encourage GOP efforts to eliminate poppy cultivation, and inhibit further cultivation. The United States also aims to increase the interdiction of narcotics from Afghanistan and to destroy DTOs by building the capacity of the GOP, as well as to expand demand reduction efforts. USG agencies continue to strive to enhance cooperation on the extradition of narcotics fugitives and to encourage enactment of comprehensive money laundering legislation. With the support of the RLA-Resident Legal Advisor, the United States is focusing on streamlining enforcement legislation, making it easier for the ANF and other law enforcement agencies to prosecute narcotics court cases. The United States presses for the reform of law enforcement institutions and encourages cooperation among the GOP agencies with counternarcotics responsibilities. Although the ANF is the lead counternarcotics agency in Pakistan, the United States also focuses on improving anti-smuggling capabilities of a number of agencies, including the Customs Department, the Frontier Corps, and the National Police.

Bilateral Cooperation. The United States, through the State Department-funded Counternarcotics Program and Border Security Project, provides operational support, commodities, and training to the ANF and other law enforcement agencies. The United States also provides funding for demand reduction activities. Under the Border Security Project, the USG has built and refurbished 64 Frontier Corps outposts in Baluchistan and NWFP, and another 62 Levy (tribal police force) and 11 Frontier Constabulary outposts in the NWFP. Another 39 new outposts are still under construction in NWFP and Baluchistan, for a total of 176 border facilities. Construction of 113 kilometers of roads in the border areas of the FATA is complete, and ongoing construction of 266 kilometers continues to open up remote areas to law enforcement. Since 1989, the State Department also has funded construction of more than 500 kilometers of counternarcotics program roads in previously inaccessible areas, facilitating farmer-to-market access for legitimate crops while providing authorities access for poppy eradication. The Department has implemented over 820 development projects to provide water and electricity to remote areas and to encourage alternative crops in Bajaur, Mohmand, and Khyber Agencies. An additional 4 projects are projected for completion by the end of 2007. Alternative crop programs were extended into Kala Dhaka and Kohistan in 2006, where this year seven kilometers of new road were completed and 45 kilometers are underway. A total of \$10 million has been committed to road construction and small electrification and irrigation schemes for this earthquake-devastated area of NWFP.

In October 2006, an RLA was deployed to the U.S. Embassy in Islamabad. It is anticipated that through the RLA's cooperative efforts productive changes in the administration of courts and the law enforcement agencies will occur.

The United States funds a Narcotics Control Cell in the FATA Secretariat to help coordinate counternarcotics efforts in the tribal areas, where the overwhelming majority of poppy is grown. The U.S.-supported Ministry of Interior (MOI) Air Wing program provides significant benefits to counternarcotics efforts and also serves to advance counterterrorism objectives. DEA provides operational assistance and advice to ANF's Special Investigative Cell (SIC) to raise investigative standards. The Department of Defense began providing assistance to the Pakistan Coast Guards to improve the GOP's counternarcotics capabilities on the Makran Coast.

The USG-supported Border Security Project continues to make progress in strengthening security along Pakistan's Afghan border through training to professionalize border forces, provision of

vehicles and surveillance and communications equipment to enhance patrolling of the remote border areas, and support for the USG-assisted MOI Air Wing to enhance border surveillance and interdiction. In 2007, the nine Huey IIs of the Air Wing executed 186 operational missions. These included transporting law enforcement forces to raid suspected drug compounds and drug processing facilities, poppy surveys, casualty evacuations (casevacs) for personnel injured during FC and ANF operations, support for law enforcement agencies along the Afghan border, and border reconnaissance. The three fixed-wing Cessna Caravans, equipped with FLIR surveillance equipment, executed 132 operational missions, including surveillance, casevacs, and command and control support for large operations.

In May 2002 the first meeting took place of the US-Pakistan Joint Working Group on Law Enforcement and Counter-Terrorism (“JWG”). The JWG was established to create a bilateral mechanism to address the means of improving cooperative law enforcement efforts, assessing the progress on US-funded law enforcement projects in Pakistan, and combating terrorism. The fourth meeting occurred in Washington, DC, in April 2006 and the next meeting is anticipated to occur in 2008.

The Road Ahead. The centerpiece of USG assistance to Pakistan is a newly launched effort to support the Government of Pakistan’s FATA Sustainable Development Plan (SDP). The U.S. has launched a five-year, \$750 million FATA Development Strategy which features job creation, health, and educational services, institution building, infrastructural development, and measures for expanding the local economy. This supports the GOP’s nine-year \$2 billion dollar SDP. In addition, the U.S. is providing training and equipment to the Frontier Corps and Frontier Constabulary to improve security conditions in the FATA and NWFP. State INL’s historic role in supplanting a poppy-based economy in these peripheral areas with alternative development has been instrumental in shaping these plans. This local development also extends the writ of the government.

The USG has allocated \$17 million in 2007 to NAS to expand road and bridge building activity and programs to upgrade law enforcement institutions, such as the Frontier Corps, the Frontier Constabulary, and the FATA internal police force called Levies, recruited from the tribes in FATA. NAS will partner with the FATA Secretariat to provide training and commodities to the newly raised Levy Forces and managerial and capacity building support to the FATA Construction Unit. These initiatives will enhance security throughout the seven FATA Agencies, enabling USAID and other developmental plans to move forward.

The United States will continue to assist the GOP in its nation-wide efforts to eliminate poppy, to build capacity to its borders, to conduct investigations that dismantle drug trafficking organizations, to increase convictions and asset forfeitures, and to reduce demand for illicit drugs through enhanced prevention, intervention, and treatment programs. Implementation of these strategies will require GOP perseverance in strict enforcement of the poppy ban and eradication efforts, development of an indigenous drug intelligence capability, GOP interagency cooperation, more effective use of resources and training, and enhanced regional cooperation and information sharing.

V. Statistical Table

Drug Crop—Opium Poppy					
	2007	2006	2005	2004	2003
Cultivation	2,315 ha	1,908 ha	3,147 ha	6,600 - 7,500 ha	6,811 ha
Harvested	1,701 ha	1,545 ha	2,440 ha	3,145 ha	3,641 ha
Eradication	614 ha	363 ha	707 ha	4,426 ha	3,641 ha
Seizures heroin (including morphine base)	10.9 MT	35.3 MT	Jan-Nov - 24 MT	24.7 MT	34 MT
Seizures opium	15.3 MT	8 MT	Jan-Nov - 6.1 MT	2.5 MT	5.4 MT
Seizures hashish:	93.8 MT	110.5 MT	80 MT	136 MT	87.8 MT
Illicit Labs Destroyed:	No labs have been destroyed to date.				
Arrests (total persons)	50,100	Jan-Oct - 34,170	Jan-Nov - 33,932	49,186	46,346
Number of Users: No reliable data exists. The last National Survey of Drug Abuse in Pakistan in 1993 estimated 3.01 million drug addicts in Pakistan. We do not have reliable new estimates, but most experts believe that the number has grown. The recent 2006 UNODC survey estimated 628,000 chronic opiate users.					

Sri Lanka

I. Summary

Sri Lanka has a relatively small-scale drug problem. The Government of Sri Lanka (GSL) remains committed to targeting drug traffickers and implementing nation-wide demand reduction programs. Government institutions coordinate closely with NGOs to address narcotics problems. In early 2005, the U.S. Government strengthened its relationship with Sri Lanka on counternarcotics issues by offering training for the Sri Lankan Police. Sri Lanka is a party to the 1988 UN Drug Convention.

II. Status of Country

Sri Lanka is not a significant producer of narcotics or precursor chemicals and plays a minor role as a transshipment route for heroin from India. At present, there is no legislation to control precursor chemicals. GSL officials continue to raise internal awareness of and vigilance against efforts by drug traffickers attempting to use Sri Lanka as a transit point for illicit drug smuggling. Domestically, officials are addressing a modest upsurge in domestic consumption, consisting of heroin, cannabis, and increasingly, “Ecstasy.”

III. Country Actions against Drugs in 2007

Policy Initiatives. Sri Lanka has made progress in implementing its counternarcotics strategy, first developed in 1994. The GSL remains committed to ongoing efforts to curb illicit drug use and trafficking. The lead agency for counternarcotics efforts is the Police Narcotics Bureau (PNB), headquartered in the capital city of Colombo. No new PNB officers were recruited in 2007; however, the PNB recruited more officers in 2006, resulting in increased investigations and interdictions. The National Dangerous Drugs Control Board (NDDCB) assists PNB in an advisory capacity. In early 2006, a special court was established to assure speedy trials in drug cases. In 2006, the President of Sri Lanka initiated a three-year “End to Drugs” program which continued throughout 2007. Under this initiative, law enforcement authorities are intensifying educational and awareness efforts against drug abuse, and the GSL is providing assistance to non-governmental organizations that provide counseling and rehabilitation to drug addicts. In October 2007, the Parliament passed two narcotics-related bills: a bill putting into effect the UN and South Asian Association for Regional Cooperation (SAARC) Conventions against Illicit Traffic in Narcotic Drugs and Psychotropic Substances, and a Drug Dependent Persons (Treatment and Rehabilitation) Bill.

Accomplishments. The PNB, the Excise Department, and Sri Lanka Customs worked closely to target cannabis producers and dealers, resulting in several successful arrests. The PNB was an active partner for the U.S., taking full advantage of U.S.-sponsored training for criminal investigative techniques and case management practices.

Sri Lanka continued to work with the SAARC and the United Nations Office of Drugs and Crime (UNODC) on regional narcotics issues. GSL officials maintain regular contact with counterparts in India and Pakistan, the origin countries for most illicit drugs in Sri Lanka. The SAARC Drug Offences Monitoring Desk (SDOMD) is co-located within Colombo’s PNB. Counternarcotics officials based in India and Pakistan regularly share information with the SDOMD, though other SAARC countries reportedly do not maintain regular contact. In 2007, PNB launched a quarterly newsletter based on this shared information.

Law Enforcement Efforts. PNB continued to cooperate closely with the Customs Service, the Excise Department, and the Sri Lankan Police to curtail illicit drug supplies in and moving through the country. As a result of these efforts, in 2006 GSL officials arrested 12,551 persons on charges of using or dealing in heroin and over 34,728 persons on cannabis charges. Police seized a total of 65.4 kg of heroin, with one major haul yielding 15.4 kg. Police also seized 18,219 kg of cannabis in 2006. PNB did not make any Ecstasy-related arrests in 2006.

PNB has one sub-unit at Bandaranaike International Airport near Colombo, complete with operational personnel and a team of narcotics-detecting dogs. Greater vigilance by PNB officers assigned to the airport sub-station led to increased arrests and narcotics seizures from alleged drug smugglers. Financial constraints and the ongoing ethnic conflict have delayed plans to establish additional PNB sub-stations.

Corruption. The GSL does not, as a matter of policy, encourage or facilitate the illicit production or distribution of any controlled substances or the laundering of proceeds from illegal drug transactions. A government commission established to investigate bribery and corruption charges against public officials, launched in 2004, continued operations through 2007. In December 2005, six police personnel were arrested for collusion with a high-profile drug dealer, but were released without charges in March 2006. On June 14, 2006, a major in the army was arrested for allegedly trafficking over 15 kg of heroin in Mannar. He is currently in remand prison awaiting his court hearing.

Agreements and Treaties. Sri Lanka is a party to the 1988 UN Drug Convention and a 1990 SAARC Convention on Narcotic Drugs and Psychotropic Substances, regional agreement among South Asian states. In October 2007, Parliament passed implementing legislation for both conventions. Sri Lanka is also a party to the 1961 UN Single Convention, as amended by the 1972 Protocol, and the 1971 Convention on Psychotropic Substances. Sri Lanka is also a party to the 1961 UN Single Convention, as amended by the 1972 Protocol, and the 1971 Convention on Psychotropic Substances. Sri Lanka is a party to the UN Convention against Transnational Organized Crime and the UN Convention against Corruption. An extradition treaty is in force between the U.S. and Sri Lanka.

Cultivation/Production. Small quantities of cannabis are cultivated and used locally, but there is little indication that it is exported. The estimated land area under cannabis cultivation is 500 hectares. The majority of cannabis cultivation occurs in the southeast jungles of Sri Lanka. PNB and Excise Department officials work together to locate and eradicate cannabis crops.

Drug Flow/Transit. Some of the heroin entering Sri Lanka is transshipped to other markets abroad, including Europe. A resurgence in fighting in and near the northwestern coastal waters has recently limited transportation of heroin by sea. As a result, traffickers have increased their use of air routes. Police officials state that the international airport is the second major entry point for the transshipment of illegal narcotics through Sri Lanka. There is no evidence to date that synthetic drugs are manufactured in Sri Lanka. Police note that the Ecstasy found in Colombo social venues is likely imported from Thailand.

Domestic Programs (Demand Reduction). The National Dangerous Drugs Control Board (NDDCB), a policy organization that advises law enforcement authorities, has established task forces in regional provinces to focus on the issue of drug awareness and rehabilitation at the community level. Each task force works with the existing municipal structure, bringing together officials from the police, prisons, social services, health, education and NGO sectors. The security situation has prevented the NDDCB from establishing task forces in those in the Northern and Eastern provinces. The GSL continued its support to local NGOs conducting demand reduction and drug awareness campaigns. During 2006, the GSL and NGOs treated 2,738 people for drug abuse. The Colombo Plan Drug Advisory Program, a regional organization, pledged its assistance to the

government and non-government agencies in their efforts to combat illicit drugs. PNB has observed UNODC's International Day against Drug Abuse and Illicit Trafficking since 1990 and has instituted an annual drug awareness week in June.

IV. U.S. Policy Initiatives and Programs

Policy Initiatives. The USG remained committed to helping GSL officials develop increased capacity and cooperation for counternarcotics issues. The USG also continued its support of a regional counternarcotics program, which conducts regional and country-specific training seminars, fostering communication and cooperation throughout Asia.

Bilateral Cooperation. Continuing a USG-PNB law enforcement program implemented in 2004, the USG-trained Sri Lanka police are replicating seminars and scheduling training for colleagues of the original trainees at academies and stations throughout the island. U.S. government officials, primarily DEA, conducted narcotics officer training for local counterparts at a seminar organized by the host government.

The Road Ahead. The U.S. government will maintain its commitment to aid the Sri Lankan police in its transition to a community-focused force with additional assistance for training and dialogue between U.S. counternarcotics agencies and Sri Lankan counterparts. The U.S. expects to continue its support of regional and country-specific training programs.

SOUTHEAST ASIA

Australia

I. Summary

Australia is a committed partner in international efforts to combat illicit drugs. Domestically, Australian government policies are designed to address fully both the law enforcement needs and the demand reduction sides of the equation. Australian law enforcement agencies work closely with their U.S. counterparts in Australia and the United States, and have a robust and growing law enforcement liaison structure in numerous overseas posts where they also work closely with U.S. counterparts.

II. Status Of Country

Cannabis remains the most abused drug in Australia but law enforcement and health officials continue to be concerned about the increased use of crystal methamphetamine and cocaine. The trend towards the use of crystal methamphetamine ('ice') is of particular concern to Australian law enforcement, given its destructive effect on users and the public. Law enforcement agencies throughout Australia continue to seize greater amounts of methamphetamine precursor chemicals and have shut down sophisticated clandestine laboratories with increased frequency. MDMA (Ecstasy) is still very prevalent in the major cities throughout Australia, although a recent study indicates use may be falling. Large shipments of MDMA have been seized entering Australia from Europe and Asia, and law enforcement officials continue to encounter sophisticated MDMA production laboratories in the Sydney and Melbourne areas. Cocaine use also appears to be increasing throughout Australia. The number of cocaine seizures has increased, with a majority of the seizures involving couriers and smaller amounts, but there have also been large shipments seized from Canada, Hong Kong and Chile. Cocaine remains the drug of choice in Australia for the affluent due to the high price (US\$277/gram to US\$92-115,000/kilogram). But its use has been increasing across all socio-economic levels. Australian media are describing crystal methamphetamine as the "new heroin," a reference to the heroin abuse "epidemic" which swept through Australia in the late 1990's and early 2000's. The heroin "epidemic" resulted in a significant increase in heroin overdoses and deaths. A variety of factors contributed to a subsequent decrease in heroin availability and many heroin users began utilizing other drugs. Of note, a recent annual drugs survey reported this downward trend in heroin may not be continuing as many abusers of crystal methamphetamine may be switching back to heroin due to the government's high profile campaign against crystal methamphetamine.

III. Country Actions Against Drugs In 2007

Policy Initiatives. In an effort to address the increase in the numbers and sophistication of clandestine synthetic drug laboratories, changes in legislation have limited the availability of pseudoephedrine, a precursor chemical for methamphetamine. All products containing pseudoephedrine are now stored behind the pharmacy counters, and products with high concentrations of pseudoephedrine also require a doctor's prescription. In response to this legislation, many organized crime groups have undertaken large scale smuggling of ephedrine and pseudoephedrine products from locations throughout Asia, and most recently Africa. Australian law enforcement officials seize large illicit shipments of pseudoephedrine on a regular basis. With the view that stable governments in the regions are less likely to be utilized by drug trafficking groups in establishing drug production facilities, the Australian Government has strengthened the Australian Federal Police (AFP) capacity to respond to international crises, particularly within the region. The AFP's International Deployment Group (IDG) has been increased by about 400

personnel, taking the total to 1200. This has been the largest single increase in AFP staff since the force was established in 1979. The extra resources will allow the IDG to establish a 150 member-strong Operational Response Group that is ready to respond at short notice to emerging law and order issues in the region and to undertake stabilization operations. The AFP's international network currently has 86 officers located in 31 posts in 26 countries worldwide. Many of these posts have close working relationships with area DEA Country Offices.

Law Enforcement Efforts. Responsibility for counternarcotics efforts is divided among the Federal Government, primarily the AFP, the Australian Customs Service (ACS), the Australian Crime Commission (ACC), and the Therapeutic Goods Administration (TGA), in addition to state/territorial police services. Australia also has a large and growing international deployment of AFP overseas liaison officers focusing on transnational crime, including international drug trafficking. Australian law enforcement has made it a priority to identify and dismantle clandestine laboratories whose numbers appear to have stabilized after several years of drastic increases. In the period of July 2006/2007, a total of 333 clandestine labs were seized in Australia. For the period of July 2005/2006, there were 390 clandestine labs seized, and in 2004/2005, 381 clandestine labs seized. Although a majority of the seized laboratories are unsophisticated, small capacity operations, there has been an increase in the number of sophisticated methamphetamine/crystal methamphetamine "superlabs" seized throughout the country. Law enforcement authorities continue to report the seizure of large-scale active and inactive MDMA labs in the country. For July 2006/2007, 17 MDMA labs were seized, up from 7 MDMA labs seized during the July 2005/2006 period. During the 2005/2006 period, some of the MDMA clandestine labs were 'superlabs'.

Corruption. Australian federal agencies rarely are implicated in corruption and misconduct. The Australian Crime Commission (ACC), the Australian Federal Police (AFP), the internal affairs sections of State Police departments and legislative-established commissions actively investigate and pursue corruption or misconduct charges. Generally, investigations involving public corruption are reported by the media. As a matter of policy, the Government of Australia (GOA) does not encourage or facilitate the illicit production or distribution of narcotic or psychotropic drugs or other controlled substances, or the laundering of proceeds from illegal drug transactions. Likewise, no senior official of the federal government is known to engage in, encourage or facilitate such illicit production, or to launder proceeds of illegal drug transactions, to post's knowledge.

Agreements and Treaties. The U.S. and Australia cooperate extensively in law enforcement matters, including drug prevention and prosecution, under a bilateral mutual legal assistance treaty and an extradition treaty. In addition, Australia is a party to the 1961 UN Single Convention, as amended by the 1972 Protocol, the 1971 UN Convention on Psychotropic Substances, the 1988 UN Drug Convention, the UN Convention against Transnational Organized Crime and the UN Corruption Convention. Australia also is actively involved in many international organizations that investigate drug trafficking. Australia acts as co-chair of the Asia-Pacific Group on money laundering, is a member of the Financial Action Task Force, INTERPOL, the Heads of Narcotics Law Enforcement Association (HONLEA), the International Narcotics Control Board, the South Pacific Chiefs of Police, the International Drug Enforcement Conference (IDEC) and the Customs Cooperation Council among others.

Cultivation/Production. The licit cultivation and processing of opium poppies in Australia is strictly confined to the Australian state of Tasmania. Tasmania is considered one of the world's most efficient producers of poppies with the highest yield per hectare of any opiate producing country. With an annual average licit opium production of approximately 2.5 tons per hectare, Tasmania supplies around one half of the world's legal medicinal opiate market. The Australian poppy industry utilizes the Concentrated Poppy Straw process, which processes the dry poppy plant material 'poppy straw' for use in the production of codeine and thebaine. The Australian

Federal Government and the Tasmanian State Government share responsibility for control of the poppy industry. During the growing and harvesting season, crops are regularly monitored by the Poppy Advisory and Control Board field officers and any illegal activity is investigated by the Tasmania Police Poppy Task Force. The export to the U.S. of Australia's narcotic raw material (NRM) is regulated by the '80/20 rule' which reserves 80 percent of the NRM market to traditional suppliers (India and Turkey) while the remaining 20 percent is shared by non-traditional suppliers (Australia, France, Hungary, Poland and currently, Former Yugoslavia). There were approximately 1000 poppy growing licenses granted for the 2006/2007 growing season in which 13,000 hectares were under poppy cultivation. Domestically produced marijuana (cannabis) continues to be Australia's most abused illicit drug. Cannabis cultivation and distribution is not dominated by any group and appears to be organized on an individual basis. Sophisticated hydroponic cultivation sites of various sizes have been seized throughout the country. Use of hydroponic grow sites continues to be the preferred method of the more advanced marijuana trafficking organizations. There is still no evidence indicating any large exportation of Australian produced marijuana, but there have been instances of small amounts of Australian-produced hydroponic marijuana being transported to Asian nations for use by expatriate communities in those countries.

Drug Flow/Transit. The U.S. Embassy in Canberra continues to receive information indicating MDMA traffickers may be utilizing Australia as a transit point for MDMA shipments to other parts of the world. These reports remain unconfirmed, but the situation continues to be monitored closely by both the DEA and Australian law enforcement organizations.

Domestic Programs/Demand Reduction. The availability of treatment services for drug users remains an integral part of Australia's National Drug Strategy. There is a wide range of treatment options available throughout Australia, including detoxification, therapeutic communities, residential facilities, outpatient treatment, day programs, and self-help groups. As part of the "Tough on Drug Strategy" launched in 1997, the Australian government has committed substantial resources to reducing the demand for illicit drugs throughout the country. This strategy, coupled with the activities of state/territorial agencies and non-governmental organizations, is aimed at reducing the demand for all types of drugs throughout the country. In 2001, the New South Wales government approved a heroin injection room in the Kings Cross area of Sydney. The Commonwealth of Australia government has opposed the operation of these injection rooms and is pursuing alternative harm reduction methods. To date, this safe injection room remains in operation.

IV. U.S. Policy Initiatives and Programs

Bilateral and Multilateral Cooperation. The United States undertakes a broad and vigorous program of counternarcotics activities in Australia, enjoying close working relationships with Australian counterparts at the policy making and working levels. There is an active collaboration in investigating, disrupting, and dismantling international illicit drug trafficking organizations. The United States and Australia cooperate under the terms of a Memorandum of Understanding that outlines these objectives. U.S. and Australian law enforcement agencies also have agreements in place concerning the conduct of bilateral investigations and the exchange of intelligence information on narcotics traffickers. Both sides continue to pursue closer relations, primarily in the area of information sharing.

The Road Ahead. Australia continues to take a leadership position in the international fight against drug trafficking in its domestic, regional and worldwide activities. The expanded Operational Response Group allows them to have greater participation in regional law and order activities and stabilization efforts. Strong bilateral relations between Australia and the U.S. on counternarcotics issues are confidently expected to continue.

Burma

I. Summary

Burma took many wrong turns in 2007, including in the war on drugs. Both UNODC and U.S. surveys of opium poppy cultivation indicated a significant increase in cultivation and potential production in 2007, while production and export of synthetic drugs (amphetamine-type stimulants, crystal methamphetamine and Ketamine) from Burma continued unabated. The significant downward trend in poppy cultivation observed in Burma since 1998 halted in 2007, with increased cultivation reported in Eastern, Northern and Southern Shan State and Kachin State. Whether this represents a sustained reversal in poppy cultivation in Burma, which remains far below levels of 10 years earlier, remains to be seen. It does indicate, however, that increases in the value of opium are driving poppy cultivation into new regions. An increased number of households in Burma were involved in opium cultivation in 2007. While Burma remains the second largest opium poppy grower in the world after Afghanistan, its share of world opium poppy cultivation fell from 55 percent in 1998 to 5 percent in 2006, and rose slightly in 2007. This large proportional decrease is due to both decreased opium poppy cultivation in Burma and increased cultivation in Afghanistan. The Golden Triangle region in Southeast Asia no longer reigns as the world's largest opium poppy cultivating region; that dubious honor is now held by Afghanistan.

Despite increased cultivation in 2007, Burma's opium cultivation declined dramatically between 1998 and 2006. The UN Office on Drugs and Crime (UNODC) estimates a decrease from 130,300 ha (ha) in 1998 to 21,500 ha in 2006, an 83 percent decrease. Cultivation in 2007 increased 29 percent, from 21,500 ha in 2006 to 27,700 ha. The most significant decline over the past decade was observed in the Wa region, following the United Wa State Army's (UWSA) pledge to end opium poppy cultivation in its primary territory, UWSA Region 2. UWSA controlled territory accounted for over 30 percent of the acreage of national opium poppy cultivation in 2005, but almost no poppy cultivation was reported in the Wa region in 2006 and 2007. However, there are indications that cultivation has increased in regions closely bordering UWSA Region 2.

Burma has not provided most opium farmers with access to alternative development opportunities. Recent trends indicate that some opium farmers were tempted to increase production to take advantage of higher prices generated by opium's relative scarcity and continuing strong demand. Increased yields in new and remaining poppy fields (particularly in Southern Shan State), spurred by favorable weather conditions in 2007 and improved cultivation practices, have partially offset the affects of decreased cultivation. Higher yields in some areas may also signal more sophisticated criminal activity, greater cross border networking, and the transfer of new and improved cultivation technologies.

Burma's overall decline in poppy cultivation since 1998 has been accompanied by a sharp increase in the production and export of synthetic drugs, turning the Golden Triangle into a new "Ice Triangle." Burma is a significant player in the manufacture and regional trafficking of amphetamine-type stimulants (ATS). Drug gangs based in the Burma-China and Burma-Thailand border areas, many of whose members are ethnic Chinese, produce several hundred million methamphetamine tablets annually for markets in Thailand, China, and India, as well as for onward distribution beyond the region. There are also indications that groups in Burma have increased the production and trafficking of crystal methamphetamine or "Ice"—a much higher purity and more potent form of methamphetamine than the tablets.

Through its Central Committee for Drug Abuse Control (CCDAC), the Government of Burma (GOB) cooperates regularly and shares information with the U.S. Drug Enforcement Administration (DEA) and Australian Federal Police (AFP) on narcotics investigations. In recent years, the GOB has also increased its law enforcement cooperation with Thai, Chinese and Indian counternarcotics authorities, especially through renditions, deportations, and extraditions of suspected drug traffickers.

During the 2007 drug certification process, the U.S. determined that Burma was one of only two countries in the world that had “failed demonstrably” to meet its international counternarcotics obligations. Major concerns remain: unsatisfactory efforts by Burma to deal with the burgeoning ATS production and trafficking problem; failure to take concerted action to bring members of the United Wa State Army (UWSA) to justice following the unsealing of a U.S. indictment against them in January 2005; failure to investigate and prosecute military officials for drug-related corruption; and failure to expand demand-reduction, prevention and drug-treatment programs to reduce drug-use and control the spread of HIV/AIDS. Burma is a party to 1988 UN Drug Convention.

II. Status of Country

Burma is the world’s second largest producer of illicit opium. Eradication efforts and enforcement of poppy-free zones combined to reduce cultivation levels between 1998 and 2006, especially in Wa territory. However, in 2007, a significant resurgence of cultivation occurred, particularly in eastern and southern Shan State and Kachin State, where increased cultivation, favorable weather conditions, and new cultivation practices increased opium production levels, led to an estimated 29 percent increase in overall opium poppy cultivation and a 46 percent increase in potential production of dry opium.

According to the UNODC, opium prices in the Golden Triangle have increased in recent years, although prices in Burma remain much lower than the rest of the region due to easier supply. Burmese village-level opium prices or *farm-gate* prices increased from \$153 per kg in 2004 to \$187 in 2005, to \$230 in 2006 and to \$265 per kg in 2007. Burmese opium sales contribute about half of the annual household cash income of farmers who cultivate opium, which they use to pay for food between harvests. Forty-five percent of the average yearly income (\$501) of opium cultivating households in Shan State was derived from opium sales in 2007.

In 2007, the UNODC opium yield survey estimated there were approximately 27,700 ha planted with opium poppies, with an average yield of 16.6 kg per hectare (significantly higher than the 2006 average yield of 14.6 kg per hectare). [Independent U.S. opium poppy cultivation surveys also indicated increased poppy cultivation and estimated opium production to approximately 27,700 ha cultivated and 270 metric tons (MT) produced]. The UNODC’s opium yield survey concluded that cultivation had increased 29 percent in Burma from 2006 levels, with a 46 percent increase in potential production to 460 MT. This represented a 67 percent increase in the total potential value of opium production in Burma, from \$72 million in 2006 to \$120 million in 2007. Nonetheless, both surveys indicated that opium production is still down 90 percent from its peak production in 1996.

The general decline in poppy cultivation in Burma since 1996 has been accompanied by a sharp increase in the local production and export of synthetic drugs. According to GOB figures for 2007, [the GOB seized approximately 1.5 million methamphetamine tablets, compared to 19.5 million seized in 2006. Opium, heroin, and ATS are produced predominantly in the border regions of Shan State and in areas controlled by ethnic minority groups. Between 1989 and 1997, the Burmese government negotiated a series of cease-fire agreements with several armed ethnic minorities, offering them limited autonomy and continued tolerance of their narcotics production and

trafficking activities in return for peace. In June 2005, the United Wa State Army (UWSA) announced implementation in Wa territory of a long-delayed ban on opium production and trafficking. While the cultivation of opium poppies decreased in the Wa territory during 2006 and 2007, according to UNODC and U.S. surveys, there are indications from many sources that Wa leaders replaced opium cultivation with the manufacture and trafficking of ATS pills and “Ice” in their territory, working in close collaboration with ethnic Chinese drug gangs.

Although the government has not succeeded in persuading the UWSA to stop its illicit drug production and trafficking, the GOB’s Anti-Narcotic Task Forces continued to pressure Wa traffickers in 2007. UWSA also undertook limited enforcement actions against rivals in Shan State in 2006 and 2007. In May 2006, UWSA units found and dismantled two clandestine laboratories operating in territory occupied and controlled by the UWSA-South in Eastern Shan State. When the UWSA units entered the lab sites, a firefight ensued, with eight people fatally wounded, four arrested, and 25 kg of heroin and 500,000 methamphetamine tablets seized by the raiding UWSA units. In June 2006, the UWSA passed custody of the contraband substances to Government of Burma (GOB) officials. The prisoners remained in the custody of the UWSA. These UWSA actions likely were motivated more towards eliminating the competition in their area than by a desire to stop drug trafficking. In Burma, opium addiction remains high in places of historic or current opium production, ranging from 1.27 percent of the total adult population in Eastern Shan State to 0.97 percent in Kachin State and an estimated 0.83 percent in the Wa region, the main area of opium production until 2006.

III. Country Actions Against Drugs in 2007

Policy Initiatives. Burma’s official 15-year counternarcotics plan, launched in 1999, calls for the eradication of all narcotics production and trafficking by the year 2014, one year ahead of an ASEAN-wide plan of action that calls for the entire region to be drug-free by 2015. To meet this goal, the GOB initiated its plan in stages, using eradication efforts combined with planned alternative development programs in individual townships, predominantly in Shan State. The government initiated its second five-year phase in 2004. Ground surveys by the Joint GOB-UNODC Illicit Crop Monitoring Program indicate a steady decline in poppy cultivation and opium production in areas receiving focused attention, due to the availability of some alternative livelihood measures (including crop substitution), the discovery and closure of clandestine refineries, stronger interdiction of illicit traffic, and annual poppy eradication programs. The UNODC estimates that the GOB eradicated 3,598 ha of opium poppy during the 2007 opium poppy cropping season (ranging between July-March in most regions), compared to 3,970 ha in 2006.

The most significant multilateral effort in support of Burma’s counternarcotics efforts is the UNODC presence in Shan State. The UNODC’s “Wa Project” was initially a five-year, \$12.1 million supply-reduction program designed to encourage alternative development in territory controlled by the UWSA. In order to meet basic human needs and ensure the sustainability of the UWSA opium ban announced in 2005, the UNODC extended the project through 2007, increased the total budget to \$16.8 million, and broadened the scope from 16 villages to the entire Wa Special Region No. 2. Major donors that have supported the Wa Project include Japan and Germany, with additional contributions from the UK and Australia. The U.S. previously funded the UNODC Wa project, but halted funding over death threats issued by UWSA leadership against U.S. DEA agents following the January 2005 indictment of seven UWSA leaders in a U.S. district court for their role in producing and smuggling heroin to the U.S.

Law Enforcement Measures. The CCDAC, which leads all drug-enforcement efforts in Burma, is comprised of personnel from the national police, customs, military intelligence, and army. The CCDAC, under the control of the Ministry of Home Affairs, coordinates 27 anti-narcotics task

forces throughout Burma. Most are located in major cities and along key transit routes near Burma's borders with China, India, and Thailand. As is the case with most Burmese government entities, the CCDAC suffers from a severe lack of adequate funding, equipment, and training to support its law-enforcement mission. The Burmese Army and Customs Department support the Police in this role.

Burma is actively engaged in drug-abuse control with its neighbors China, India, and Thailand. Since 1997, Burma and Thailand have had 11 cross-border law enforcement cooperation meetings. The most significant result of this cooperation has been the repatriation by Burmese police of drug suspects wanted by Thai authorities: two in 2004, one in 2005 and one in 2006. According to the GOB, Thailand has contributed over \$1.6 million to support an opium crop substitution and infrastructure project in southeastern Shan State. In 2007, Thailand assigned an officer from the Office of Narcotics Control Board (ONCB) to its mission in Rangoon. Burma-China cross border law enforcement cooperation has increased significantly, resulting in several successful operations and the handover of several Chinese fugitives who had fled to Burma. While not formally funding alternative development programs, the Chinese government has actively encouraged investment in many projects in the Wa area and other border regions, particularly in commercial enterprises such as tea plantations, rubber plantations, and pig farms. China has assisted in marketing those products in China through lower duties and taxes. There are also indications that China conducted its own opium cultivation and production surveys in 2007 in regions of Burma bordering the PRC, although they have not shared data resulting from those surveys with other parties.

After Burma and India signed an agreement on drug control cooperation in 1993, the two countries have held cross border Law Enforcement meetings on a bi-annual basis, the last being held September 11, 2004, in Calcutta.

The GOB has to date taken no direct action against any of the seven UWSA leaders indicted by U.S. federal court in January 2005, although authorities have taken action against other, lower ranking members of the UWSA syndicate. In 2007, one of the indicted leaders, Pao Yu-hua, died of natural causes and another indicted leader, Ho Chun-t'ing, was captured by Hong Kong Police. Another notorious Burmese drug lord, Khun Sa, who was held under house arrest in Rangoon following his surrender to the GOB in December 1996, died from natural causes in October 2007.

Narcotics Seizures. Summary statistics provided by Burmese drug officials indicate that through September 2007, Burmese police, army, and the Customs Service together seized 1154 kg of raw opium, 354 kg of low quality opium, 73 kg of heroin, 91 kg of marijuana, approximately 1.5 million methamphetamine tablets, 455 kg of methamphetamine powder, 395 kg of methamphetamine ICE, 238 kg of ephedrine, 3,116 kg of powdered precursor chemicals, and 8,723 liters of precursor chemicals.

On January 19, 2007, based on DEA and AFP information, the Lashio CCDAC ANTF dismantled a heroin refinery in the Man Lin Hills near Lashio, Shan State. This operation resulted in the arrest of two defendants and the seizure of approximately 20.3 kg of heroin, 20.3 kg of brown opium, 1.02 kg of opium residue, 1,100 kg of ammonium chloride, 770 kg of sodium chloride, 1,470 liters of ether, 438 liters of hydrochloric acid, 183 liters of chloroform, and various equipment used in the refining of heroin.

On February 14, 2007, based on DEA and AFP information, the Muse CCDAC ANTF dismantled a heroin refinery near Khar Li Khu Village, Mong Ko Township, Burma. This operation resulted in the arrest of 7 individuals, and the seizure of 7 kg of brown opium, 89 kg of ephedrine, 22.75 liters of mineral spirit, 3 kg of sodium hydroxide, 2 liters of hydrochloric acid, 183 liters of chloroform, and various equipment used in the refining of heroin.

On April 21, 2007, the Tachilek ANTF seized a total of approximately 264,000 methamphetamine tablets.

On April 23, 2007, based on DEA and AFP information, CCDAC ANTF seized 224.3 kg of opium, 300 grams of heroin, opium seeds, 7.1 million kyat (approximately \$6,000), and 50,000 Chinese Yuan (approximately \$6,250) in Pan Se, Nam Kham Township, Burma.

During a May 26, 2007 raid on a heroin refinery in Kokang region, the Muse ANTF captured a Kachin Defense Army (KDA) major. Returning from the refinery, ANTF was ambushed by approximately 60-armed individuals. In the ensuing firefight, the KDA major was rescued and the opposing force escaped with the drugs and money seized at the refinery. Four ANTF officers were killed and two were wounded. The attackers were identified as KDA and were believed to be primarily interested in recovering the KDA major.

On June 7, 2007, based on DEA information, the Taunggyi ANTF seized 195.2 kg of opium from three locations and dismantled a heroin refinery.

Corruption. Burma does not have a legislature or effective constitution; and has no laws on record specifically related to corruption. While there is little evidence that senior officials in the Burmese Government are directly involved in the drug trade, there are credible indications that mid-and-lower level military leaders and government officials, particularly those posted in border and drug producing areas, are closely involved in facilitating the drug trade. The Burmese regime closely monitors travel, communications and activities of its citizens to maintain its pervasive control of the population, so it strains credibility to believe that government officials are not aware of the cultivation, production and trafficking of illegal narcotics in areas it tightly controls. A few officials have been prosecuted for drug abuse and/or narcotics-related corruption. However, Burma has failed to indict any military official above the rank of colonel for drug-related corruption.

Agreements and Treaties. Burma is a party to the 1961 UN Single Convention on Narcotic Drugs as amended by the 1972 Protocol, the 1971 UN Convention on Psychotropic Substances, and the 1988 UN Drug Convention. Burma is a party to the UN Convention against Transnational Organized Crime and its protocols on migrant smuggling and trafficking in persons, and has signed but has not ratified the UN Corruption Convention.

Cultivation and Production. According to the UNODC opium yield estimate, in 2007 the total land area under poppy cultivation was 27,700 ha, a 29 percent increase from the previous year. The UNODC also estimated that the potential production of opium increased by 46 percent, from 315 MT in 2006 to 460 MT in 2007. The significant increase in potential opium production in 2007 indicated in the UNODC estimates reflect improved agricultural methods and an end to several years of drought, resulting in more favorable growing weather in major opium poppy growing areas, such as Shan State and Kachin State.

Burma as yet has failed to establish any reliable mechanism for the measurement of ATS production. Moreover, while the UNODC undertakes annual estimates of poppy cultivation and production, the U.S. has been unable to conduct its annual joint crop survey with Burma since 2004 due to the GOB's refusal to cooperate in this important area.

Drug Flow/Transit. Most ATS and heroin in Burma is produced in small, mobile labs located near Burma's borders with China and Thailand, primarily in territories controlled by active or former insurgent groups. A growing amount of methamphetamine is reportedly produced in labs co-located with heroin refineries in areas controlled by the United Wa State Army (UWSA), the Shan State Army-South (SSA-S), and groups inside the ethnic Chinese Kokang autonomous region. Ethnic Chinese criminal gangs dominate the drug syndicates operating in all three of these areas. Heroin and methamphetamine produced by these groups is trafficked overland and via the Mekong River, primarily through China, Thailand, India and Laos and, to a lesser extent, via Bangladesh,

and within Burma. There are credible indications that drug traffickers are increasingly using maritime routes from ports in southern Burma to reach trans-shipment points and markets in southern Thailand, Malaysia, Indonesia, and beyond. Heroin seizures in 2005, 2006 and 2007 and subsequent investigations also revealed the increased use by international syndicates of the Rangoon International Airport and Rangoon port for trafficking of drugs to the global narcotics market.

Demand Reduction. The overall level of drug abuse is low in Burma compared with neighboring countries, in part because most Burmese are too poor to be able to support a drug habit. Traditionally, some farmers used opium as a painkiller and an anti-depressant, in part because they lack access to other medicine or adequate healthcare. There has been a growing shift in Burma away from opium smoking toward injecting heroin, a habit that creates more addicts and poses greater public health risks. Deteriorating economic conditions will likely stifle substantial growth in overall drug consumption, but the trend toward injecting narcotics is of significant concern. The GOB maintains that there are only about 65,000 registered addicts in Burma. According to several HIV Estimation Workshops conducted in 2007 by the National AIDS Program and the World Health Organization, there are an estimated 60,000 to 90,000 injecting drug users in Burma. Surveys conducted by UNODC and other organizations suggest that the addict population could be as high as 300,000. According to the UNODC, Burma's opium addiction rate is high, at 0.75 percent. NGOs and community leaders report increasing use of heroin and synthetic drugs, particularly among disaffected youth in urban areas and by workers in mining communities in ethnic minority regions. The UNODC estimated that in 2004 there were at least 15,000 regular ATS users in Burma; there are surely more now..

The growing HIV/AIDS epidemic has been tied to intravenous drug use. According to the National AIDS Program, one third of officially reported HIV/AIDS cases are attributable to intravenous drug use, one of the highest rates in the world. Information gathered by the National AIDS Program showed that HIV prevalence among injecting drug users was 46.2 percent in 2006 – a figure that remained stable in 2007. Infection rates are highest in Burma's ethnic regions, and specifically among mining communities in those areas where opium, heroin, and ATS are more readily available.

Burmese demand reduction programs are in part coercive and in part voluntary. Addicts are required to register with the GOB and can be prosecuted if they fail to register and accept treatment. Altogether, more than 21,000 addicts were prosecuted between 1994 and 2002 for failing to register. (The GOB has not provided any data since 2002.) Demand reduction programs and facilities are limited, however. There are six major drug treatment centers under the Ministry of Health, 49 other smaller detoxification centers, and eight rehabilitation centers, which, together, have provided treatment to about 70,000 addicts over the past decade. Prior to 2006, the Ministry of Health treated heroin addicts with tincture of opium. However, based on high levels of relapse, the Ministry of Health in 2006 began to treat heroin addicts with Methadone Maintenance Therapy (MMT) in four drug treatment centers, found in Rangoon, Mandalay, Lashio, and Myitkyina. The Ministry of Health also began dispensing methadone treatment in three additional sites, two in Kachin State and one in Rangoon. By August 2007, the Ministry of Health had treated more than 370 patients using MMT.

As a pilot model, in 2003 UNODC established community-based treatment programs in Northern Shan State as an alternative to official GOB treatment centers. UNODC expanded this program, opening centers in Kachin State. In 2007, UNODC operated 16 drop-in centers. Since 2004, more 2,000 addicts received treatment at UNODC centers. In 2006 and 2007, an additional 8,028 addicts have sought medical treatment and support from UNODC-sponsored drop-in centers and outreach workers who are active throughout northeastern Shan State. The GOB also conducts a variety of narcotics awareness programs through the public school system. In addition, the government has

established several demand reduction programs in cooperation with NGOs. These include programs coordinated with CARE Myanmar, World Concern, and Population Services International (PSI), focus on addressing injected drug use as a key factor in halting the spread of HIV/AIDS.

However, while maintaining these programs at pre-existing levels, Burma has failed to expand demand-reduction, prevention, and drug-treatment programs to reduce drug use and control the spread of HIV/AIDS. The Global Fund, which had a budget of \$98.5 million to fight AIDS, TB, and Malaria in Burma, withdrew in 2005. In 2006, foreign donors established the 3 Diseases Fund (3DF) to provide humanitarian assistance for AIDS, TB, and malaria. The 3DF, with its budget of \$100 million over five years, supports the work of local and international NGOs, the United Nations, and the Ministry of Health. In 2007, the 3DF supported HIV/AIDS programs such as HIV surveillance and training on blood safety. The 3DF also provided funds for antiretroviral therapy and the MMT program.

IV. U.S. Policy Initiatives and Programs

Policy and Programs. As a result of the 1988 suspension of direct USG counternarcotics assistance to Burma, the USG has limited engagement with the Burmese government in regard to narcotics control. U.S. DEA, through the U.S. Embassy in Rangoon, shares drug-related intelligence with the GOB and conducts joint drug-enforcement investigations with Burmese counternarcotics authorities. In 2006 and 2007, these joint investigations led to several seizures, arrests, and convictions of drug traffickers and producers. The U.S. conducted opium yield surveys in the mountainous regions of Shan State from 1993 until 2004, with assistance provided by Burmese counterparts. These surveys gave both governments a more accurate understanding of the scope, magnitude, and changing geographic distribution of Burma's opium crop. In 2005, 2006 and again in 2007, the GOB refused to allow another joint opium yield survey. A USG remote sensing estimate conducted indicated a slight increase in opium cultivation in 2007 and a significant increase in potential opium production, mirroring UNODC survey results. Bilateral counternarcotics projects are limited to one small U.S.-supported crop substitution project in Shan State. No U.S. counternarcotics funding directly benefits or passes through the GOB.

The Road Ahead. The Burmese government must reverse the negative direction of narcotics production in 2007 to restore the significant gains it made over the past decade in reducing opium poppy cultivation and opium production. This will require greater cooperation with UNODC and major regional partners, particularly China and Thailand. Large-scale and long-term international aid—including increased development assistance and law-enforcement aid—could play a major role in reducing drug production and trafficking in Burma. However, the ruling military regime remains reluctant to engage in political dialogue within Burma and with the international community. Its barriers to those offering outside assistance have limited the potential for international support of all kinds, including support for Burma's counternarcotics law enforcement efforts. Furthermore, in order to be sustainable, a true opium replacement strategy must combine an extensive range of counternarcotics actions, including crop eradication and effective law enforcement, with alternative development options, support for former poppy farmers and openness to outside assistance. The GOB must foster closer cooperation with the ethnic groups involved in drug production and trafficking, especially the Wa, refuse to condone continued involvement by ceasefire groups in the narcotics trade, tackle corruption effectively, and enforce its counternarcotics laws more consistently to reach its goals of eradicating all narcotics production and trafficking by 2014.

The USG believes that the GOB must further eliminate poppy cultivation and opium production; prosecute drug-related corruption, especially by corrupt government and military officials; take action against high-level drug traffickers and their organizations; strictly enforce its money-

laundering legislation; and expand prevention and drug-treatment programs to reduce drug use and control the rapid spread of HIV/AIDS. The GOB must take effective new steps to address the explosion of ATS that has flooded the region by gaining closer support and cooperation from ethnic groups, especially the Wa, who facilitate the manufacture and distribution of ATS. The GOB must close production labs and prevent the illicit import of precursor chemicals needed to produce synthetic drugs. Finally, the GOB must stem the troubling growth of domestic demand for heroin and ATS.

Cambodia

I. Summary

With the recent discovery of a major methamphetamine laboratory, Cambodia now has a confirmed role in illegal drug production, consumption, and trafficking. In recent years, crackdowns on drug trafficking in Thailand and China have pushed traffickers to use other routes, including through Cambodia by land, river, sea, and air. Drug use, particularly of amphetamine-type stimulants (ATS), cuts across socio-economic lines. Recent efforts to improve Cambodia's counternarcotics performance include: effective law enforcement responses to the methamphetamine lab, a highly successful lab clean up effort, significant increases to the budget of the National Authority for Combating Drugs (NACD), and stiffening penalties for drug use and trafficking. However, continuing concerns about corruption, lack of capacity, and continuing low counternarcotics funding levels—even with the new budget increase—hamper government efforts. The NACD and the Anti-Drug Police cooperate closely with the U.S. Drug Enforcement Administration (DEA), regional counterparts, and the United Nations Office on Drugs and Crime (UNODC). Cambodia is a party to the 1988 UN Drug Convention.

II. Status of Country

The April 2007 discovery of a major methamphetamine production lab in Cambodia confirmed suspicions that in recent years the country's narcotics problem has grown from transit and consumption to production as well. Many experts believe that additional clandestine labs are operating in the country. Mobile groups harvest *dysoxylum loureiri* trees in environmentally protected areas in the Cardamom Mountains and extract safrole oil. The harvest, sale, and export of safrole oil—which can be used as a precursor for Ecstasy production as well as for other purposes, such as perfume or massage oil—is illegal in Cambodia. In October 2007, Thai authorities intercepted a 50-ton shipment of safrole oil which had originated in Cambodia and was reportedly destined for the U.S. and China.

ATS and heroin enter Cambodia primarily through the areas bordering Laos, Thailand, and Vietnam in the northern provinces of Stung Treng, Preah Vihear, and Ratanakiri. Small shipments of heroin and ATS enter and exit Cambodia overland. Larger shipments of heroin, methamphetamine and marijuana are thought to exit Cambodia concealed in shipping containers, speedboats, and ocean-going vessels. Drugs, including cocaine and heroin, are also smuggled on commercial flights concealed in small briefcases, shoes, and on/in the bodies of individual travelers. Some cannabis cultivation continues despite a government eradication campaign.

ATS is the most prevalent narcotic in Cambodia, accounting for nearly 80 percent of drug use according to the NACD. Both ATS tablets, known locally as yama, and crystal methamphetamine are widely available. Heroin use is a significant problem among a relatively small number of users, three-quarters of whom are in Phnom Penh according to NACD statistics. Cocaine, Ketamine, and opium are also available in Cambodia. Glue sniffing is also a large problem, particularly among street children.

III. Country Actions Against Drugs in 2007

Policy Initiatives. Cambodian narcotics policy and law enforcement agencies suffer from limited resources, lack of training, and poor coordination. Under new leadership and with a 55 percent budget increase in 2007, the NACD has made strides in becoming a more effective organization. A UNODC project slated to run from 2008-2010 aims to build capacity at the NACD through

structural and functional reform, managerial and technical capacity building, and a stronger national drug control network.

The NACD is implementing Cambodia's first 5-year national plan on narcotics control (2006-2010), which focuses on demand reduction, supply reduction, drug law enforcement, and expansion of international cooperation.

Over the past few years, the Cambodian government has worked to strengthen previously weak legal penalties for drug-related offenses. A new drug law, drafted with help from the Anti-Drug Police and passed in 2005, provides for a maximum penalty of \$25,000 (100,000,000 riel) fine and life imprisonment for drug traffickers, and allows proceeds from the sale of seized assets to be used towards law enforcement, and drug awareness and prevention efforts. However, some observers have noted that the law is too complex for the relatively weak Cambodian judiciary to use effectively. In July 2007, the Ministry of Health issued a directive increasing penalties for safrole oil production and distribution to two to five years in jail plus fines.

Law Enforcement Efforts. In general, drug-related arrests and seizures declined in 2007, although big cases such as the April superlab raid and the August bust of a tabletting facility by military police show increasingly credible law enforcement action. According to NACD reports, 229 people were arrested for various drug-related offenses in the first nine months of 2007, compared to 439 in the first nine months of 2006. Similarly, total seizures of methamphetamine pills declined 13 percent and heroin seized declined 25 percent. After several years of increasing arrests and seizures, it is difficult to determine if lower levels in this time frame are part of a new trend in trafficking or law enforcement capability, or merely a statistical variation.

On April 1, 2007, police raided a methamphetamine lab in Kampong Speu province, arresting 18 suspects including 14 Cambodians, three Chinese and one Thai national, and seizing nearly six tons of drug-making chemicals. Two additional Cambodian suspects were later arrested. The laboratory was capable only of the first stage of methamphetamine manufacture, producing the intermediate product chloroephedrine. This lab, the first uncovered in Cambodia, was among the largest discovered in Southeast Asia to date.

Corruption. The Cambodian government does not, as a matter of government policy, encourage or facilitate illicit production or distribution of drugs or controlled substances, or launder proceeds from their transactions. Nonetheless, corruption remains pervasive in Cambodia, making Cambodia highly vulnerable to penetration by drug traffickers and foreign crime syndicates. Senior Cambodian government officials assert that they want to combat trafficking and production; however, corruption, low salaries for civil servants, and an acute shortage of trained personnel severely limit sustained advances in effective law enforcement. The judicial system is weak, and there have been numerous cases of defendants in important criminal cases having charges against them dropped after paying relatively small fines, circumstances which raise questions about corruption.

In July 2006, Heng Pov, the former chief of the Anti-Drug Police, fled Cambodia and alleged that high-ranking government officials and well-connected businessmen were involved in drug trafficking, but due to government pressure were not prosecuted. In August 2007, Oum Chhay, a tycoon and political advisor who was charged with involvement in the Kampong Speu superlab, died in police custody. The police maintain that he committed suicide by jumping out a window. Some observers allege that he was murdered, noting with suspicion that he was being supervised by three guards at the time of his death, and that the fall was from a second-story window in which he landed on his back. It is difficult to assess the credibility of these claims.

At the Consultative Group (CG) meeting in December 2004, a group of donor countries jointly proposed a new benchmark for Cambodian government reform: forwarding an anticorruption law,

which meets international best practices, to the National Assembly. The government agreed to meet this benchmark by the next CG meeting, which was held in March 2006. Unfortunately, the government failed to meet this deadline and, as of October 2007, had still not completed the law. A government committee was in the process of reviewing possible models in Singapore and Hong Kong. At each quarterly meeting of the Government-Donor Coordinating Committee, the international community has highlighted the government's still un-met commitment and outlined the international best practices to be included in the Cambodian draft corruption law. Cambodia signed the UN Convention against Corruption in September 2007 and the convention is pending ratification by the National Assembly.

Agreements and Treaties. Cambodia is a party to the 1988 UN Drug Convention, the 1971 UN Convention on Psychotropic Substances, and the 1961 UN Single Convention as amended by the 1972 Protocol. The National Assembly ratified the 1972 UN Protocol amending the 1961 Single Convention in September 2007 and the King signed it into law the following month. Cambodia is a party to the UN Convention against Transnational Organized Crime and its protocols against migrant smuggling and illegal manufacturing and trafficking in firearms.

Cultivation/Production. Cannabis-related arrests, eradication and seizures have declined dramatically over the past several years. In 2007, there was an up tick in eradication, with 1,075 square meters of cannabis plantations destroyed in the first nine months, compared to 144 square meters destroyed during the full year 2006. Four people were arrested for cannabis cultivation and/or trafficking between January and September 2007.

Drug Flow/Transit. Crackdowns on drug trafficking in Thailand and China have pushed traffickers to use other routes, including routes through Cambodia. Heroin and ATS enter Cambodia by both primary and secondary roads and rivers across the northern border, transit through Cambodia via road or river networks, and enter Thailand and Vietnam. Effective law enforcement of the border region with Laos on the Mekong River, which is permeated with islands, is nearly impossible due to lack of boats and fuel among law enforcement forces. At the same time, recent improvement in National Road 7 and other roads is increasing the ease with which traffickers can use Cambodia's rapidly developing road network—a trend likely to continue as further road and bridge projects are implemented. Heroin, cannabis, and ATS are believed to exit Cambodia via locations along the Gulf—including the deep-water port of Sihanoukville—as well as the river port of Phnom Penh.

Airports in Phnom Penh and Siem Reap suffer from lax customs and immigration controls. An October 2006 circular from the Prime Minister called for law enforcement agencies to carry out security checks, including x-ray and other screening, at airports. However, according to the NACD, these checks are still conducted by contract employees of the airport concessionaire because the government lacks the funding to buy the required equipment. Some illegal narcotics transit these airports en route to foreign destinations. On February 15, 2007, a Taiwanese national was arrested at Phnom Penh International Airport with five condoms containing 265 grams of heroin strapped to his lower abdomen. On October 14, 2007, another Taiwanese national was arrested at Phnom Penh International Airport with 800 grams of heroin in his pockets.

Domestic Programs (Demand Reduction). With the assistance of USAID, UNODC, UNICEF, WHO, the Japanese International Cooperation Agency (JICA), and several NGOs, the NACD is attempting to boost awareness about drug abuse among Cambodians—especially Cambodian youth—through the use of pamphlets, posters, and public service announcements. A UNODC treatment and rehabilitation project, funded by Japan, will work to increase the capacity of health and human services to deal effectively with drug treatment issues, beginning by conducting an in-depth baseline study of drug use in 2008. Several local NGOs, including Mith Samlanh and Korsang, have taken active roles in helping to rehabilitate drug users.

The Cambodian government recently launched a major initiative to establish additional drug treatment facilities. A 2006 circular from the Prime Minister directed each province to establish residential drug treatment centers. As of October 2007, there were ten government-run treatment centers, with additional centers under construction. A joint NACD/Ministry of Health assessment of these centers, conducted during January and February 2007, documented serious shortcomings. The centers could not conduct proper physical and psychological intake assessments, lacked trained medical staff, did not gain consent from patients over the age of 18, and failed to provide follow-up services or refer patients to organizations that can provide those services. While proven drug rehabilitation techniques include individual and group counseling, cognitive behavioral therapy, relapse prevention, and vocational training, the government facilities rely on confinement, military-style drills, exercise, and discipline to rehabilitate their patients. In addition to the government-run centers, Mith Samlanh operates a small residential rehabilitation program which offers medically-supervised detoxification, individual and group counseling, and referral into Mith Samlanh's extensive network of vocational training and other services.

During the first nine months of 2007, 727 drug users and addicts were admitted to the government-run centers and 89 had received such drug detoxification and rehabilitation services through Mith Samlanh. While estimates of the number of drug users in Cambodia vary widely—from the official 2007 NACD figure of 5,773 to a 2004 UNAIDS estimate of 40,000 with a 5 percent annual growth rate—it is clear that the need for drug treatment services far outstrips the available supply.

Cambodia is also implementing harm reduction programs for the first time. In 2004, the NACD granted permission to the Mith Samlanh to begin a needle exchange program in Phnom Penh. Korsang now also runs a needle exchange program as well. NACD and the World Health Organization are working to develop a pilot methadone maintenance program, which will likely be implemented at the Khmer-Soviet Friendship Hospital in partnership with Korsang, starting in late 2008.

IV. U.S. Policy Initiatives and Programs

Policy Initiatives. While Cambodia has moved beyond its recent turbulent political history to a period of relative political stability, the country is still plagued by many of the institutional weaknesses common to the world's most vulnerable developing countries. The challenges for Cambodia include: nurturing the growth of democratic institutions and the protection of human rights; providing humanitarian assistance and promoting sound economic growth policies to alleviate the debilitating poverty that engenders corruption; and building human and institutional capacity in law enforcement sectors to enable the government to deal more effectively with narcotics traffickers. One unique challenge is the loss of many of Cambodia's best trained professionals in the Khmer Rouge period (1975-1979), as well as during the subsequent Vietnamese occupation. Performance in the area of law enforcement and administration of justice must be viewed in the context of Cambodia's profound human capacity limitations. Even with the active support of the international community, there will be continuing gaps in performance for the foreseeable future.

Bilateral Cooperation. The recent lifting of U.S. congressional restrictions on direct assistance to the Cambodian government has given the U.S. government increased flexibility in partnering with Cambodia in battling narcotics. The Defense Department's Joint Interagency Task Force-West (JIATF-West) conducted two training missions in Cambodia in 2007 and renovated a military classroom and barracks in Sisophon. In February and March, U.S. Army personnel led training in basic land navigation, patrolling, reconnaissance, and respecting human rights in the line of duty in Battambang. In June 2007, U.S. Navy personnel instructed Cambodian military personnel in Phnom Penh in small boat maintenance.

Cambodia regularly hosts visits from Bangkok-based DEA personnel, and Cambodian authorities cooperate actively with DEA, including in the areas of joint operations and operational intelligence sharing.

In three 2-week sessions during 2007, trainers from the U.S.-based drug treatment organization Daytop International provided training in residential drug treatment techniques to government officials, NGO workers, monks, military and police officials. This training, funded by the State Department's Bureau of International Narcotics and Law Enforcement (INL), was the first comprehensive training on residential drug treatment ever held in the country.

The U.S. and Cambodia worked closely together in the aftermath of the discovery of the Kampong Speu methamphetamine lab. Bangkok-based DEA agents traveled to the site immediately after the discovery to assist in the investigation, and a team of DEA forensic chemists and precursors specialists traveled from the U.S. and other countries to analyze the laboratory. Working through the UNODC, INL provided \$140,000 for the clean up effort, the largest monetary contribution by any country.

Drug use among populations targeted for HIV prevention is a growing concern as needle sharing is the most efficient means of transmitting HIV. USAID HIV/AIDS programs work with populations at high risk of contracting HIV, including sex workers and their clients, homosexual men, and drug users. These groups are not mutually exclusive as many sex workers also use and inject drugs. Prevention programs targeting high risk populations aim to reduce illicit drug use and risky sexual practices.

The Road Ahead. Cambodia is making progress toward more effective law enforcement against narcotics trafficking; however, its capacity to implement a satisfactory, systematic approach to counternarcotics operations remains low. Instruction for mid-level Cambodian law enforcement officers at the International Law Enforcement Academy in Bangkok (ILEA) and for military, police, and immigration officers by JIATF-West has partially addressed Cambodia's dire training needs. However, after training, these officers return to an environment of scarce resources and pervasive corruption.

With congressional restrictions on direct assistance to the Cambodian government lifted, the U.S. and Cambodia are working together to transfer some excess soldier and unit equipment from the U.S. (such as uniforms, boots, first aid pouches, compasses, cots, and tents) for use by Cambodian Army border battalions. Such equipment will help increase the Cambodian military's ability to conduct patrols along the borders. The JIATF-West training events in FY08 will consist of one event at the newly renovated Sisophon site and another event in Preah Vihear. JIATF-West will continue their training infrastructure renovation project, which will both facilitate future JIATF-West training and also build the capacity of Cambodian law enforcement and military authorities. State INL funding for FY08 will be used to support and strengthen Cambodia's narcotics interdiction capabilities. The U.S. is encouraged that Cambodia has recently signed the UN Convention against Corruption and will continue to press the government to adopt anti-corruption legislation.

China

I. Summary

The People's Republic of China is a major drug transit country to regional drug consumers in neighboring parts of Asia as well as for international drug markets (though not the U.S.). China continues to have a domestic heroin consumption problem along with an upsurge in the consumption of synthetic drugs such as Ecstasy and crystal methamphetamine, known as "ice." Chinese authorities view drug trafficking and abuse as a major threat to China's national security, its economy, and its national and regional stability, but corruption in far-flung drug producing and drug transit regions of China limits what dedicated enforcement officials can accomplish. Authorities continue to take steps to integrate China into regional and global counternarcotics efforts. China is a party to the 1988 UN Drug Convention.

II. Status of Country

Mainland China is situated adjacent to major narcotics producing areas in Asia, Southeast Asia's Golden Triangle, Southwest Asia's Golden Crescent, and Northeast Asia's Golden Azalea (North Korea). Burma continues to be the major source of opiates entering China. While the Golden Triangle area has been a longstanding problem, Chinese officials note that the Golden Crescent is the source of increasing amounts of heroin trafficked into Western China, particularly Xinjiang Province. China's 97-kilometer border with Afghanistan is remote, but Chinese authorities are increasingly concerned that opiates from Afghanistan can find their way into China through other countries in South and Central Asia. Quantities of heroin and methamphetamine produced in North Korea continue to find their way into China's northeastern provinces that border North Korea. Beijing claims that there are no heroin refineries in China. However, China is a major producer of licit ephedrine and pseudoephedrine which when diverted from licit uses can be used in the manufacture of methamphetamine. There is a widespread belief among law enforcement agencies, worldwide, that large-scale illicit methamphetamine producers in other countries use Chinese-produced ephedrine and pseudoephedrine, and there are numerous examples from criminal investigations to confirm this suspicion. Diverted Chinese precursor chemicals may sustain synthetic drug production in other countries as far away as Mexico, Belgium, and the Netherlands. Although China enacted enhanced precursor chemical control laws in November 2005 and is fully engaged in multilateral and bilateral efforts to stop diversion from its chemical production sector, Chinese efforts have not matched the size of its enormous chemical industry with sufficient resources to effectively ensure against diversion.

Statistics on drug usage within China are contradictory. The National Narcotics Control Commission (NNCC) recently claimed that the number of drug users had declined. However, data from non-government sources indicate that drug abuse continues to grow at a moderate rate. 2006 NNCC statistics claim there are over 1,160,000 registered drug users in China, but some officials acknowledge the actual number of addicts is most likely much higher, and there have been published reports that China might have as many as 15 million drug abusers. Government reports indicate that 78.3 percent (700,000 people) of all registered drug addicts are heroin users. Youth between the ages of 17-35 comprise the largest percentage of registered addicts (59.3 percent), fueled largely by a dramatic increase in the disposable income of urban youth. Although the per capita reported HIV/AIDS rate in China is relatively low at 0.08 percent or 1 case in every 1,300 citizens, nevertheless, the government reported that 70.8 percent of all confirmed HIV/AIDS cases were intravenous heroin addicts. As China's economy has grown and its society has opened up

over the last decade, the country's youth have come to enjoy increasing levels of disposable income and freedom. This has been associated with a dramatic increase in drug abuse among the country's youth in large and mid-sized cities. The number of abusers of new drugs is increasing and drugs such as crystal methamphetamine, Ecstasy, Ketamine, and triazolam have become more popular.

Ecstasy's popularity is increasing among the young in nightclubs and karaoke bars along China's wealthy east coast, particularly in Beijing, Shanghai, Nanjing, Guangzhou, and Shenzhen. According to the Beijing University National Surveillance Center on Drug Abuse (BUNSC), nearly 23 percent of drug abusers get their drugs at entertainment sites. In Beijing, nine entertainment venues were recently found to be selling drugs and shut down. With a very large, widely scattered, and developed chemical industry, China is one of the world's largest producers of precursor chemicals, including acetic anhydride, potassium permanganate, piperonylmethylketone, pseudoephedrine, ephedrine, and ephedra. China produces and monitors all 22 of the chemicals on the tables included in the 1988 UN Drug Convention. China continues to be a strong partner of the U.S. and other concerned countries in implementing a system of pre-export notification of dual-use precursor chemicals. China tries to strictly regulate the import and export of precursor chemicals. According to NNCC, Chinese authorities investigated 968 cases involving precursor chemicals in 2006 and seized 1460.88 tons of precursor chemicals, a significant increase over the 157 tons reported seized in 2005. In 2006 the NNCC issued 747 precursor chemical pre-export notifications involving 89,318 tons of precursor chemicals. Nevertheless, diverted precursor chemicals from China are a major source for methamphetamine production around the world, and most observers believe that China is also the source for precursor chemicals in Golden Triangle heroin production as well.

III. Country Actions Against Drugs in 2007

Policy Initiatives. China takes active measures to combat the use and trafficking of narcotics and dangerous drugs. China's Ministry of Public Security (MPS) is in the third year of its National People's War on Illicit Drugs, begun in 2005 at the initiative of Chinese President Hu Jintao. MPS has designated five campaigns as part of this effort: drug prevention and education; drug treatment and rehabilitation; drug source blocking and interdiction; "strike hard" drug law enforcement; and strict control and administration, designed to inhibit the diversion of precursor chemicals and other drugs. In June 2004, MPS Bureau of Narcotics Control (BNC) implemented a nationwide drug-related information gathering, sharing, and storing network allowing data comparison alerts, and improved overall coordination in counternarcotics operations. In November 2005, China passed an Administrative Law on Precursor Chemicals as well as an Administrative Regulation on Narcotic Drugs and Psychotropic Substances. In the same month, China issued Provisional Administrative Regulations on the Export of Precursor Chemicals to Special Countries, strengthening the regulation of exports of 58 types of precursor chemicals to countries in the Golden Triangle. According to China's State Food and Drug Administration (SFDA), the government is currently reviewing a new law, the Narcotics Control Law of China, regarding ephedrine and pseudoephedrine preparations and expects to approve it in 2007. In June 2007 MPS Minister and NNCC Director Zhou Yongkang announced China would intensify its war against drugs and called for reinforced efforts to fight heroin and curb the spread of new types of drugs. The People's Procurate and the Supreme Court have improved legal standards for cases involving new types of drugs. China has actively participated in an international cooperative effort with its neighbors in the Golden Triangle to reduce poppy cultivation in Laos and Burma in recent years, resulting in a 27 percent decrease in the total area of production since 1995. China continues to participate in United Nations Office of Drug Control (UNODC) demand reduction and crop substitution efforts in areas along China's southern borders and has worked closely with Burma to implement an alternative crops program. In May 2006 the State Council authorized a 250 million RMB fund (approx. \$32.5

million) for crop substitution projects in Northern Burma and Laos. Nevertheless, according to the NNCC's 2006 report, Burma remains the major source of opium entering China. China continues to build on the counternarcotics MOUs with Laos, Cambodia, Thailand, Vietnam, Burma, and the UNODC and regularly hosts and/or participates in conferences and bilateral meetings. With UNODC support, NNCC conducted ongoing training in 2006 in cross-border drug enforcement cooperation, amphetamine type stimulant (ATS) data collection, and combating ATS crimes in Southern China. China participates in counternarcotics education programs sponsored by the International Law Enforcement Academy (ILEA), located in Bangkok, Thailand, and has provided training to neighboring countries. Chinese law enforcement agencies also participate in DEA sponsored professional exchanges. China has several anti-narcotics and transnational crime agreements with Shanghai Cooperation Organization (SCO) member countries in Central Asia.

Law Enforcement Efforts. The Chinese Government continues its aggressive counternarcotics campaign. In China, three agencies have primary responsibility for controlling the licit/illicit drug markets: the Ministry of Public Security (MPS), the State Food and Drug Administration (SFDA), and the General Administration of Customs (GAC). All three are part of the National Narcotics Control Commission (NNCC) that forms drug policy in China similar to the Office of National Drug Control Policy (ONDCP) in the U.S. In 2006, 58 drug smuggling investigations involving Golden Crescent heroin resulted in the arrest of 110 suspects and the seizure of 106.4 kg of heroin. Southwest Asian heroin seizures continued to increase in the first half of 2007. China Customs Anti-Smuggling Bureau (ASB) reported the arrests of 180 suspects and the seizure of 229 kg of suspected Afghan heroin between January 1 and June 15, 2007. To curb the growing Golden Crescent heroin threat specifically, Chinese authorities have stepped up border and airport checks in Guangdong, Beijing, Shanghai, and Xinjiang. Overall, China invested RMB 110 million (U.S. \$13.75 million) in 2006 to improve the counternarcotics system in police, border, railway, aviation, customs, and postal departments nationwide. In the first half of 2007, police seized 1.8 tons of heroin, down 43 percent over the same period last year; 244 kg of opium, down 68 percent; 2.8 tons of methamphetamine, down 9 percent. However, police seized 3.6 million methamphetamine tablets, a 283 percent increase over the same period last year, and 1.9 tons of ketamine, up 42 percent.

According to the 2007 Annual Report on Drug Control in China, Chinese authorities were involved in 46,300 drug-related cases and apprehended 56,200 suspects in 2006. China seized 5.79 tons of heroin (a 16 percent decrease from 2005), 1.69 tons of opium (a 26.8 percent decrease from 2005), 454,000 Ecstasy tablets (an 80 percent decrease from 2005), 1.79 tons of ketamine (a 32 percent decrease from 2005), and 5.95 tons of methamphetamine (an 8 percent increase from 2005.) In 2006, the NNCC investigated 968 cases involving precursor chemicals and seized 1460.88 tons of precursor chemicals, a huge increase over the 157 tons seized in 2005.

NNCC regards 2007 as a transition year, when drug use moves further away from traditional to synthetic drugs. However, because almost 80 percent of China's drug addicts use heroin, the Golden Triangle and Golden Crescent will remain areas of serious concern for China. In 2006, in cooperation with Laos, Burma, Thailand, and the Philippines, Chinese authorities carried out an operation and captured and extradited 37 Chinese nationals living outside of China who were wanted as suspected leaders of drug trafficking rings, according to the Ministry of Public Security.

On a case-by-case basis, MPS provides DEA with strategic and operational intelligence which is used to target international drug rings. MPS has allowed DEA to interview witnesses in China and has allowed DEA to jointly conduct other investigative activity to help identify drug rings. In addition, MPS helps to facilitate the travel of U.S. law enforcement personnel, based at the U.S. Embassy in Beijing. DEA received several drug samples from MPS and Customs for analysis. DEA provided Chinese law enforcement counterparts with lead information that assisted in the development of an ongoing enforcement operation, "Operation Vulture Hunting," to target the

flows of Southwest Asian heroin into China. During the first three months of the operation there were 81 arrests and the seizure of approximately 80 kg of heroin. In January 2007, a joint operation among China, Canada, and the U.S. resulted in the seizure of approximately 25 kg of cocaine in New York and the arrests of one defendant in Canada and six defendants in China. The Chinese Government also successfully conducted joint counternarcotics operations with neighboring countries. According to the NNCC, China and Pakistan have strengthened counternarcotics cooperation, to include information-sharing and joint operations. Philippines, Hong Kong, Guangdong, and Beijing Police counterparts worked together to break up an international “ice” making and trafficking gang headed by a Fujian Province native. In June 2007, Chinese and Vietnamese police jointly destroyed 381 kg of narcotics including heroin, ketamine powder, and Ecstasy pills at Pingxiang Friendship Pass.

Corruption. China has a very serious corruption problem. Anticorruption campaigns have led to arrests of many lower-level government personnel and some more senior-level officials. Most corruption activities in China involve abuse of power, embezzlement, and misappropriation of government funds, but payoffs to “look the other way” when questionable commercial activities occur are another major source of official corruption in China. While narcotics-related official corruption exists in China, it is seldom reported in the press. The government reported that it investigated more than 32,000 persons in 2005 for alleged corruption and more than half were found guilty. Most of the investigations involved people accused of taking bribes, dereliction of duty, or gambling. There were more cases involving higher level officials accused of taking bribes and embezzlement than in past years. One case involved the former Medicine Registration Division Director of the State Food and Drug Administration, Cao Wenzhuang, who was executed for accepting RMB 2.4 million (U.S. \$320,000) in bribes.

MPS takes allegations of drug-related corruption seriously, launching investigations as appropriate. Most cases appear to have involved lower-level district and county officials. There is no specific evidence indicating senior-level corruption in drug trafficking. Nevertheless, the quantity of drugs trafficked within China raise suspicions that official corruption is a factor in trafficking in certain provinces bordering drug producing regions, such as Yunnan, and in Guangdong and Fujian, where narcotics trafficking and other forms of transnational crimes are prevalent. Official corruption cannot be discounted among the factors enabling organized criminal networks to operate in certain regions of China, despite the best efforts of authorities at the central government level.

China is engaged in an anti-corruption dialogue with the U.S. through the U.S.-China Joint Liaison Group on Law Enforcement Cooperation (JLG). Narcotics-related corruption does not appear to have adversely affected ongoing law enforcement cases in which U.S. agencies have been involved. As part of its efforts to stem the flow of corrupt Chinese officials who embezzle public funds and flee abroad to evade punishment, China has used its legal assistance channels with foreign countries to capture 70 people overseas suspected of corruption. According to MPS, of these, 37 corrupt officials were repatriated to the Chinese mainland in 2006 from Hong Kong, Macao and 11 countries, including the U.S. and Canada.

Agreements and Treaties. China actively cooperates with other countries to fight against drug trafficking and has signed over 30 mutual legal assistance agreements with 24 countries. China has signed 58 bilateral treaties on legal assistance and extradition with 40 countries. China is a party to the 1988 UN Drug Convention, the 1961 UN Single Convention as amended by the 1972 Protocol, the 1971 Convention on Psychotropic Substances, the UN Convention against Corruption and the UN Convention against Transnational Organized Crime. The U.S. and China cooperate in law enforcement efforts under a mutual legal assistance agreement signed in 2000 and which entered into force in March 2001. In January 2003, the U.S. and China reached agreement on a Customs Mutual Assistance Agreement (CMAA.). In February 2005, NNCC and DEA signed a memorandum of intent to establish a bilateral drug intelligence working group (BDIWG) to

enhance cooperation and the exchange of information. In July 2006 ONDCP and NNCC signed a Memorandum of Intent to increase cooperation in combating drug trafficking and abuse.

China cooperates with international chemical control initiatives in Operation Purple and accounts for 70 percent of the worldwide seizures of potassium permanganate that have been made under that operation. China also participates in Operation Topaz, an intergovernmental operation to detect and prevent precursor chemicals used for the illicit manufacture of heroin, and Project Prism, targeting synthetic drug chemicals. China continued its participation in the ASEAN and China Cooperative Operations in Response to Dangerous Drugs (ACCORD).

Cultivation/Production. China has eliminated the cultivation of drug-related crops within China. China's mountainous and forested regions where illegal cultivation can occur are subject to aerial surveillance, field surveys, and drug eradication. Due to China's effective law enforcement, opium poppies are only grown in small quantities by ethnic minority groups for local consumption. Chinese officials state that there are no heroin refineries in China. Coca is not cultivated in China. China is a main source for natural ephedra, which is used in the production of ephedrine. China is also one of the world's largest producers of ephedrine, licit synthetic pseudoephedrine, and ephedra products. China has a large pharmaceutical industry and these products all have legitimate medicinal use, but they can also be used in the production of ATS. The Chinese central government, supplemented by stricter controls in critical provinces such as Yunnan and Zhejiang, makes efforts to control exports of these key precursors. Despite these efforts, there is a widespread belief among law enforcement authorities in Asia that large-scale production of methamphetamines, most notably in super and mega-labs, in the Asia Pacific Rim, use China-produced ephedrine and pseudoephedrine. Large-scale seizure of Chinese-made chemicals that have been diverted is almost commonplace in law enforcement investigations around the world. Chinese authorities continued to seize clandestine methamphetamine laboratories. In the past, the majority of the labs were discovered and/or seized in the southern provinces of Fujian and Guangdong, although recently there have been laboratories seized in northeast China, specifically Shenyang and Liaoning Province.

Drug Flow/Transit. China continues to be used as a transshipment route for drugs produced in the Golden Triangle to the international market, despite counternarcotics cooperation with neighbors such as Vietnam, Thailand and Burma. Chinese authorities report that the majority of heroin produced in Burma travels via China to the international market. China shares a 2000-kilometer border with Burma, much of which lies in remote and mountainous areas, providing smugglers unrestricted crossing into China. In addition, there are many official crossings on the Burma/China border that also provide access. Transshipment of drugs through Yunnan and Guangxi to Guangdong for storage, distribution, or repackaging has been especially widespread. Smaller amounts of heroin are also coming from Laos, Vietnam, and other Southeast Asian countries. Traffickers continue to use Guangzhou, Shenzhen, and Zhuhai in Guangdong Province as transit and transshipment points for heroin and crystal methamphetamine leaving China. In addition, Xiamen and Fuzhou in Fujian Province have also recently become major exit points. Between January 2006 and March 2007, Guangzhou seized 415.5 kg of heroin and arrested 510 suspects (309 of which were not Chinese) for attempted narcotics smuggling on commercial airlines. Chinese counternarcotics police have strengthened their efforts in Guangdong in 2006, disabling 17 foreign drug-trafficking gangs and capturing more than 30 foreign drug dealers. Chinese authorities acknowledge that Western China is experiencing significant problems as well. They report that drugs such as opium and heroin are being smuggled into Xinjiang Province for distribution throughout China. They are increasingly concerned about the growing source of opium from the Golden Crescent and have seen a steady increase in the flow of heroin from that region, specifically from Afghanistan. They have seen an increase in the number of Afghan heroin seizures in western China. MPS and DEA report that Pakistan serves as a key trafficking route for heroin from

Afghanistan into China. In 2006, Pakistan arrested 54 couriers from airports in Lahore, Islamabad, and Peshawar destined for China. They seized an average of 0.75 kg of Golden Crescent heroin from each courier.

Domestic Programs (Demand Reduction). The most recent MPS statistics indicate there are over 1,160,000 registered drug users in China, but officials acknowledge the actual number of addicts is higher, with some published reports indicating there may be as many as 15 million drug abusers. Government reports indicate that 78.3 percent (700,000 people) of all registered drug addicts are heroin users. Youth between the ages of 17-35 comprise the largest percentage of addicts. Although the per capita reported HIV/AIDS rate in China is relatively low at 0.08 percent or 1 case in every 1,300 citizens. The government reported that 70.8 percent of all confirmed HIV/AIDS cases were intravenous heroin addicts. In addition to the standard reform through labor camps, the government is using media campaigns, the establishment of drug-free communities, compulsory drug rehab treatment, and voluntary rehab centers to reduce drug demand. Gansu Province assigned 2000 drug control officers to communities and villages and set up 30,000 after-care groups covering 96,000 drug users. NNCC and MPS set up an online drug users' database to improve monitoring and information sharing across agencies. According to NNCC figures, 269,000 drug addicts underwent compulsory drug rehabilitation, 71,000 drug addicts were re-educated through labor, and 36,000 drug addicts underwent community rehabilitation. As part of its National People's War on Illicit Drugs, China takes a multi-agency approach to educating people about drug prevention. China Central Television (CCTV) produced 80 special programs on drug control, and other Chinese news media published more than 4500 stories on drug control. CCTV held a Drug Control Publicity Week featuring in-depth reports on drug control and an eight-hour special on the People's War on Drugs. There was extensive coverage of a successful China-Philippine joint counternarcotics investigation. The Ministry of Education held special classes in middle and primary schools on drug prevention. Guizhou Province conducted special training courses on new-type drugs for owners and managers in 16,000 entertainment locations. A 30-part TV play, "Borderless Operation," addressed the fight against transnational drug organizations. NNCC produced a drug control fairy tale, "Escaping Terrorist Island," published a mini novel, "Behind the Heaven," and composed a popular song, "Let Life Be More Splendid", all dealing with counternarcotics themes. Two well known movie stars, Liu Yuanyuan and Tao Hong, became counternarcotics spokespersons, performing in public awareness messages airing on TV and radio. Shanghai distributed 2.4 million booklets to families, and Guangdong set up 1000 village-level drug control education bases.

IV. U.S. Policy Initiatives and Programs

Bilateral Cooperation. Counternarcotics cooperation between China and the U.S. continues to develop. Chinese authorities are working with the U.S. on a number of ongoing investigations and initiatives, including use of precursors in the production in China of steroids and human growth hormones that are subsequently illegally exported to the U.S. DEA hosted the second annual bilateral drug intelligence working group (BDIWG) in June 2006 at DEA Headquarters and discussed ways to enhance strategic and investigative cooperation. China also has police liaison officers posted in several countries around the world, including the U.S. The 2005 Memorandum of Intent between DEA and MPS in February 2005 has led to a steady improvement in U.S.-China efforts to combat drug trafficking.

Road Ahead. The most significant problem in bilateral counternarcotics cooperation remains the lack of progress toward concluding a bilateral Letter of Agreement (LOA) enabling the U.S. Government to extend counternarcotics assistance to China. Reaching agreement on the LOA is a major U.S. goal that, if achieved, would greatly increase counternarcotics cooperation between the two countries. While China has provided the DEA on a case-by-case basis with some samples of

drugs, the U.S. Government would welcome routinely receiving samples of all drugs seized by Chinese authorities. Despite these issues, bilateral enforcement cooperation remains on track and is expected to improve over the coming year.

Hong Kong

I. Summary

Hong Kong is not a major transshipment point for illicit drugs destined for the international market, however can be seen as a transit point as some drugs flow through because it is a major shipping hub. Hong Kong is not a major transshipment point for drugs because of its efficient law enforcement efforts, the availability of alternate routes, and the development of port facilities elsewhere in southern China. Some traffickers continue to operate out of Hong Kong to arrange shipments from nearby drug-producing countries via Hong Kong and other international markets, including to the United States. The Government of the Hong Kong Special Administrative Region (HKSAR) actively combats drug trafficking and abuse through legislation and law enforcement, preventive education and publicity, treatment and rehabilitation, as well as research and external cooperation. The 1988 UN Drug Convention, to which the People's Republic of China (PRC) is a party, also applies to Hong Kong.

II. Status of Country

Hong Kong's position as a key port city in close proximity to the Golden Triangle and mainland China historically made it a natural transit/transshipment point for drugs moving from Southeast Asia to the international market, including to the United States. In recent years, Hong Kong's role as a transshipment point has diminished due to law enforcement efforts and the availability of alternate routes in southern China and a diminished demand for Southeast Asian heroin in North America. Despite the diminished role, some drugs continue to transit Hong Kong to the United States and the international market. Some drug-traffickers continue to use Hong Kong as their financial base of operations, including investors involved in international drug trafficking activity who reside in Hong Kong. Drug trafficking groups operating in Hong Kong are primarily transnational in nature.

Hong Kong law enforcement officials maintain very cooperative liaison relationships with their U.S. counterparts in the fight against drugs. According to HKSAR authorities, drugs seized in Hong Kong are smuggled mostly for local consumption and to a lesser extent for further distribution in the international market, including the United States. Hong Kong continued to experience an overall decrease in drug abuse in 2006. The 56th edition of the Hong Kong Central Registry of Drug Abuse for 2006, with a comparison of the first halves of 2006 and 2007, reported that the total number of reported drug abusers in recent years continued to decline from 18,513 persons in 2001 to 13,204 in 2006.

Though heroin is traditionally the most commonly abused drug in Hong Kong, the number of heroin abusers has been declining for years. In 2006, there were 8,101 (or 61.7 percent of drug abusers) reported heroin users. There was a general rising trend in the abuse of psychotropic substances as a whole between 1997 and 2006. The number of psychotropic substance abusers reached a record high of 7,368 in 2006. Among psychotropic substances, the more commonly abused types include Ketamine (23.2 percent of drug abusers), triazolam/midazolam/zopiclone (16.9 percent), MDMA/Ecstasy (11.6 percent), cannabis (7.4 percent), crystal methamphetamine (6.5 percent), and cough medicine (5.7 percent). The comparison of the first half of 2006 to that of 2007 showed a decrease in heroin abusers from 5,211 to 4,788, but an increase in psychotropic drug abusers from 4,054 to 4,410 with Ketamine being abused by almost half (approximately 2,150) of the abusers.

In 2006, the Hong Kong Government gave a high priority to tackling psychotropic substance abuse. The Hong Kong Government has identified the continuing prevalence of psychotropic

substance abuse and the growing trend of young people experimenting with drugs as their major area of concern in the battle against drug abuse and trafficking.

III. Country Actions Against Drugs in 2007

Policy Initiatives. Although there were no major policy changes in 2006 and 2007, the Hong Kong Government continued to work with existing counternarcotics policies and strategies in drug prevention efforts. Minor policy changes included the replacement of the Action Committee Against Narcotics on Research by the Research Advisory Group (RAG). Apart from monitoring research, the RAG provides advice on interpreting drug abuse statistical trends and drawing together the latest research findings from both local and overseas narcotics-related studies.

Law Enforcement Efforts: Hong Kong's law enforcement agencies, including the Hong Kong Police and Hong Kong Customs and Excise Department (HKCED), place high priority on meeting the objectives of the 1988 UN Drug Convention. Their counternarcotics efforts focus on the suppression of drug trafficking and the control of precursor chemicals. The Hong Kong Police have adopted a three-level approach to combat narcotics distribution: at the headquarters level, the focus is on high-level traffickers and international trafficking; the regional police force focuses on trafficking across police district boundaries; and the district level police force has responsibility for eradicating street-level distribution. In 2007, the Hong Kong Police continued id checks on entertainment premises in order to deter young people from visiting venues where drugs are more easily available.

The HKCED's Chemical Control Group, in cooperation with the U.S. DEA office in Hong Kong, closely monitors the usage of precursor chemicals and tracks the export of suspicious precursor chemical shipments to worldwide destinations with significant results impacting on several regions including the United States. Due to an effective chemical tracking program, in March 2007, a significant chemical trafficker was identified as suspected of involvement in diverting large quantities of precursor chemicals to illicit uses through use of his licit pharmaceutical business. This individual had amassed over US\$207 million dollars in cash which was seized. A related investigation by the HKCED and U.S. DEA identified bank accounts in Hong Kong totaling over US\$10.1 million dollars being maintained by this same individual.

Corruption. The HKSAR government strongly opposes illicit production or distribution of narcotic or psychotropic drugs or other controlled substances, and the laundering of proceeds from illegal drug transactions. No senior government official is alleged to have participated in such activities. Hong Kong has a comprehensive anticorruption ordinance that is effectively enforced by the Independent Commission Against Corruption (ICAC), which reports directly to the Chief Executive. In addition, the UN Convention Against Corruption, which the PRC ratified on January 13, 2006, is applicable to Hong Kong.

Agreements and Treaties/International Cooperation. Upon resuming the exercise of sovereignty over Hong Kong, China advised the UN Secretary General that the 1961 Single Convention and the 1972 protocol, the Convention on Psychotropic Substances, and the 1988 UN Drug Convention apply to Hong Kong. Also, the UN Convention against Transnational Organized Crime and the UN Convention against Corruption apply to Hong Kong. Hong Kong has "mutual legal assistance in criminal matters agreements" with the United States and many other countries. Hong Kong signed surrender of fugitive offenders' agreements with Finland, Germany and Korea in 2006 and with Ireland in 2007 to bring the total number of countries with which Hong Kong has such agreements or treaties to 17, including the U.S. Hong Kong has also signed transfer of sentenced persons' agreements with eight countries, including the U.S. In 2007 Hong Kong signed a mutual legal assistance agreement with Finland.

Hong Kong law enforcement agencies enjoy a close and cooperative working relationship with their mainland counterparts and counterparts in many countries. Hong Kong law enforcement agents cooperated with Japan to seize HK\$18 million (apx. US\$2.3 million) in drug proceeds and charge one person with money laundering. A joint investigation with New Zealand authorities resulted in two arrests for money laundering and HK\$10.3 million (apx. US\$1.3 million) seized.

Last year Hong Kong's Joint Financial Intelligence Unit (JFIU) entered into Memoranda of Understanding in respect to intelligence sharing with the financial intelligence units of Australia, Korea, Japan, Singapore and Canada. In the ten years since Hong Kong returned to Chinese control, liaison information sharing and data-networking functions between Hong Kong and Chinese authorities, such as customs information, have been formalized and have successfully increased the levels of inter-system cooperation and efficiency. Training has also become an important element of cooperation between U.S. and Hong Kong law enforcement counterparts. In September 2007, the U.S. DEA and Hong Kong Customs Drug Investigation Bureau (CDIB) hosted a joint training workshop, which focused on enhancing the investigative and tactical capabilities of investigators in drug interdiction operations. The training workshop stressed the continued open exchange of information and increased international cooperation between the two participating agencies.

Hong Kong participates in Project Prism and Operation Cohesion, both managed by the International Narcotics Control Board, to control the illegal diversion of chemical precursors. Hong Kong also participates in joint tracking programs, which allow Hong Kong Customs and the U.S. Drug Enforcement Agency to target the movement of precursor chemical shipments exported from, transshipped or transiting via Hong Kong to high-risk countries. In addition to the monitoring of controlled chemical precursors, Hong Kong monitors the movement of ephedra, a raw material for the manufacture of ephedrine. The 1988 UN Drug Convention, 1961 UN Single Convention as amended by the 1972 Protocol, and the 1971 UN Convention Against Psychotropic Substances are applicable to Hong Kong.

Cultivation and Production. Although Hong Kong police detected and destroyed several minor drug production and cultivation enterprises in 2006, including four small-scale crack cocaine production labs and three cannabis cultivation sites, Hong Kong is generally not considered a significant producer of illicit drugs.

Drug Flow/Transit. Some drugs continue to flow through Hong Kong for the overseas market, to destinations including Australia, China, Japan, Taiwan, Europe, and the United States. In July 2007, based on an aggressive container profiling program, the HKCED seized 160 kilograms of cocaine which was concealed within containerized cargo believed to be destined for European markets. The container was transiting through Hong Kong in order to disguise its origin. Traffickers use land routes through mainland China to smuggle heroin into Hong Kong. In 2007, Hong Kong Customs authorities arrested 14 Thai nationals at Hong Kong International Airport attempting to smuggle heroin into Mainland China.

The heavy volume of vehicle and passenger traffic at the land boundary between PRC and Hong Kong continues to pose difficulties in the fight against the trafficking of drugs into and out of Hong Kong. In an effort to curb Hong Kong's role as a transit/transshipment point for illicit drugs, the HKSAR maintains a database of information on all cargo, cross-border vehicles, and shipping. The air cargo clearance system, the land border system and the customs control system are all capable of quickly processing information on all import and export cargoes, cross-border vehicles and vessels. The local Chinese population dominates the Hong Kong drug trade. Contrary to common belief, there is not a significant and direct connection between Hong Kong narcotics activity and Hong Kong triads at the wholesale and manufacturing level. Therefore, drug investigations are not

focused on known triad societies, but rather on the particular trafficking syndicates or individuals involved. Trafficking destined for mainland China by Southeast Asians continues to be prominent.

Domestic Programs. The Hong Kong Government uses a five-pronged approach to confront domestic drug problems, including legislation and law enforcement; preventive education and publicity; treatment and rehabilitation; research; and external cooperation. In 2006, the Hong Kong Government's preventative education policy efforts continued to focus on youth and parents. The Hong Kong Government has provided a comprehensive drug prevention program throughout Hong Kong's education system.

In 2006, the Hong Kong Police Narcotics Division stepped up publicity efforts to teach Hong Kong adolescents about the detrimental effects of commonly abused drugs like Ketamine by using announcements in the public interest through TV and radio broadcasts. The Hong Kong Government's Narcotics Bureau partners with youth organizations and groups such as Junior Police Call, the Hong Kong Red Cross, and the Scout Association of Hong Kong to promote an anti-counternarcotics message to youths. The Hong Kong Government also implemented a public awareness campaign to educate the public about the harmful effects of Ketamine and Ecstasy, the two most commonly abused drugs among youth. A HKG-sponsored Hip Hop Dance and Music Competition encourages youth to participate in healthy activities and reinforces a healthy drug-free lifestyle. The Hong Kong Government also launched a new drug education kit to disseminate counternarcotics messages in schools and publicizes the consequences of cross-boundary drug abuse.

In June 2004, the Hong Kong Government formally opened the Drug Information Centre (DIC), funded by the Hong Kong Jockey Club. The DIC is the first exhibition center in Hong Kong dedicated to counternarcotics education. Since the DIC's opening, it has received more than 100,000 visitors for various drug-prevention education activities. The Government also continued to commission nongovernmental organizations to assist in educating primary and secondary school children by sponsoring counternarcotics education programs in local schools and conducting counternarcotics seminars with parents, teachers, social workers and persons from various uniform groups. For the 12 month period ending in August 2007, 163,000 school-age children participated in drug education programs provided by the government.

The Hong Kong Government also continued to implement a comprehensive drug treatment and rehabilitation program in 2007. The fourth Three-year Plan on Drug Treatment and Rehabilitation Services was released in March 2006. The plan sets out the overall direction for enhancing Hong Kong's treatment and rehabilitation services and increases focus on early intervention efforts and focus programs that reach out to substance abusers. The Department of Health and the Social Welfare Department continued to operate seven residential drug treatment centers and five counseling centers for psychotropic substance abusers and the Department of Health continued its operation of a methadone treatment program. The Correctional Services Department continued to provide compulsory treatment for convicted persons with drug abuse problems. The Hong Kong Government will launch a pilot cooperation scheme in early 2008 to refer abusers to designated medical practitioners who will provide comprehensive health check-ups and motivational interviews, to alert abusers of any signs of health deterioration as a result of drug use, and to heighten abusers awareness of early treatment options.

IV. U.S. Policy Initiatives and Programs

Bilateral Cooperation. The U.S. Government and the HKSAR continue to promote sharing of proceeds from joint counternarcotics investigations. In May 2003, Hong Kong began participating in the U.S. Container Security Initiative (CSI), which U.S. law enforcement believes will increase the potential for identifying shipments of narcotics, even though its focus is on terrorism and

weapons of mass destruction. Hong Kong is also an active participant in the International Law Enforcement Academy (ILEA) in Bangkok, Thailand. From 2003 to October 2005, Hong Kong Customs, Hong Kong Department of Health and the U.S. DEA launched a joint operation to monitor the movement of precursor chemicals that are used in the production of methamphetamine and other drugs from Hong Kong to high-risk countries. The operation effectively decreased the frequency of these shipments and, through the high level of information exchange and timely international tracking, indicated strong cooperation between Hong Kong Government officials and their U.S. counterparts.

To further strengthen international cooperation against trafficking of precursors used in the production of amphetamine and other amphetamine-type stimulants (ATS) drugs, Hong Kong secured an agreement with the U.S., Mexico and Panama to impose stringent controls on such shipments. Since the agreement's implementation in April 2005, no shipment of such products to Mexico or any other high-risk countries has been detected. Another cooperative chemical initiative was implemented in February 2006. This new program allows the U.S. DEA and Hong Kong Government to monitor and track other precursor chemical shipments sourced from countries or territories in Asia, which transit through Hong Kong, and are destined to high-risk countries.

The Road Ahead. The Hong Kong Government has proven to be a valuable partner in the fight against drug trafficking and abuse. Hong Kong law enforcement agencies, among the most effective in the region, continue to cooperate closely with U.S. counterparts. The U.S. Government will continue to encourage Hong Kong to maintain its active role in counternarcotics efforts.

Indonesia

I. Summary

Indonesia—the fourth largest country in population in the world—has historically not been considered a major drug producing, consuming or transit country. However, in recent years Indonesia has experienced a major increase in the production, transshipment, trafficking and consumption of narcotics. The executive branch of the Indonesian government has made anti-corruption efforts a major policy initiative along with counterterrorism and counternarcotics. Since 2002, Indonesia has seen a significant increase in the number of large-scale clandestine MDMA and methamphetamine laboratories seized by Indonesian authorities.

MDMA (Ecstasy) and methamphetamine production syndicates exploit Indonesia's lax precursor chemical controls and use corrupt means to operate with relative impunity. These clandestine laboratories are capable of producing multi-hundred kilogram quantities of amphetamine type substances (ATS). However, in August 2006, there was a highly successful police raid disrupting some illicit drug operations.

In addition, regional drug trafficking syndicates are exploiting Indonesia's 1.2 million miles of coastline, lack of border and port security resources, etc., for the transshipment of heroin and ATS. Increases in narcotics production/trafficking have been mirrored in drug abuse rates. These rates—specifically intravenous drug use-combined with inadequate health care, rehabilitation and demand reduction programs has resulted in a significant increase in HIV/AIDS infection.

The Indonesian counter narcotics code is sufficiently inclusive to cover arrest, prosecution and adjudication of narcotics cases. Nevertheless corruption in Indonesia is an on-going challenge to the rule of law. Among the 161 countries ranked by Transparency International in their Corruption Index, Indonesia was ranked 130th. The level of political corruption in Indonesia seriously limits the effectiveness of all law enforcement, including narcotics law enforcement and poses the most significant threat to the country's counter drug strategy. However, the current Indonesian National Police (INP) Chief Sutanto is committed to reducing corruption and illegal activities by members of the police. Sutanto has made significant progress in internal investigation reform, human rights and governance of the national police. In 2006 over 4000 officers were disciplined for violations of the Code of Ethics and Discipline Code with 230 officers being terminated for ethics violations alone.

The INP leadership has been consistently improving, with the integration of more modern law enforcement management systems and procedures including anti-corruption efforts. The INP participates in several international donor-initiated training programs and continues to commit increased resources to counter narcotics efforts. The INP has received both specialized investigative training and equipment, including vehicles, software, safety and tactical equipment to support its efforts against crime and drugs. The INP relies heavily on assistance from major international donors, including the U.S., for the skills and equipment it needs to carry out its mission. Indonesia is a party to the 1988 UN Drug Convention.

II. Status of Country

In 2006, Indonesian authorities continued to seize large-scale clandestine methamphetamine and MDMA laboratories, suggesting that Indonesia is quickly becoming a manufacturing site for narcotics. As recently as 2005, Indonesia has been listed as an important importer of pseudoephedrine. Lax and inadequate precursor chemical controls combined with porous borders and endemic levels of corruption continue to be a significant threat to Indonesia's counter drug

efforts. The diversion and unregulated importation of precursor chemicals remains one of the most significant problems facing Indonesia's counter drug efforts. To date, Indonesian authorities have been unsuccessful in controlling the diversion of precursor chemicals and pharmaceuticals. Numerous large international pharmaceutical and chemical corporations have large operations throughout Indonesia.

The Indonesian National Narcotics Board (BNN) estimates that approximately 3.2 million people or, 1.5 percent of Indonesia's total population are drug abusers. According to INP arrest data, in 2006, the INP conducted 14,105 narcotics investigations. All major groups of illegal drugs are readily available in Indonesia: amphetamine-type stimulants, especially, MDMA Ecstasy, as well as, heroin, marijuana and modest amounts of cocaine.

The large scale production of MDMA and methamphetamine is one of the most significant drug trafficking threats in Indonesia. Clandestine mega MDMA and methamphetamine laboratories are capable of producing multi-thousand kilogram quantities. Indonesian/Chinese organized crime syndicates use familial connections in the People's Republic of China (PRC) as a source for precursor chemicals and laboratory equipment. Furthermore, production syndicates rely upon chemists trained in the Netherlands for the production of MDMA, as well as Taiwanese chemists for the production of crystal methamphetamine.

Southwest Asian Heroin. Despite Indonesia's proximity to the "Golden Triangle" there remains no market base for Southeast Asian heroin in Indonesia. However, Southwest Asian heroin is trafficked through Indonesia by West Africans and Nepalese trafficking groups utilizing sources of supply in Afghanistan, Pakistan and Thailand. These trafficking groups utilize human couriers traveling via commercial air carrier, to smuggle drugs to Europe, Canada, and the United States.

Cocaine. While there is no known market base for cocaine in Indonesia, authorities in Indonesia have made several small cocaine seizures in Jakarta and Bali, based on information provided by the DEA. Cocaine is suspected of being transshipped through Indonesia, via commercial air carrier, en route to Australia and Japan, with small user amounts remaining in Indonesia for use by Western tourists.

III. Country Actions Against Drugs In 2007

Policy Initiatives. The Indonesian counter narcotics code is sufficiently inclusive to enable, police, prosecutors and judiciary to arrest, prosecute and adjudicate narcotics cases. Under Indonesian Laws No. 22/1997 on narcotics and 5/1997 on psychotropic substances, the Indonesian courts have sentenced approximately 57 drug traffickers to death. The continued lack of modern detection, enforcement and investigative methodologies and technology, and pervasive corruption, are the greatest obstacles to advancing Indonesia's counternarcotics efforts.

According to the BNN, the GOI has established new policies and strategies, in a "goal oriented rolling Plan of Action", consisting of stages covering 3 years for each stage. These stages will continue until Indonesia reaches a drug-free condition, hopefully by 2015. The mission of Indonesia's National Drug Plan is: 1) To reduce illicit drug supply, trafficking and production; 2) To reduce drug use among Indonesian youth; and 3) To minimize the harmful effects of drugs and drug use in Indonesian society.

The primary policy goals of Indonesia's National Drug Plan are to: 1) To minimize the level of illness, disease, injury and premature death associated with the use of illicit drugs; 2) To minimize the level and impact of drug-related crime and violence within the community; and 3) To minimize the loss of productivity and other economic costs associated with illicit drug use.

In March 2007, lawmakers from Indonesia's House of Representatives Commission III and the BNN proposed a new regulation, to be attached to the national narcotics law which would allow for

law enforcement agencies to confiscate convicted drug traffickers assets to fund Indonesia's drug trafficking eradication program. Under the new regulation, assets seized by the GOI would be used to rehabilitate impoverished drug abusers and would serve to supplement the budget of the BNN. The BNN receives approximately \$30 million per year from the state budget, far below \$53 million the agency requests for its yearly budget.

Law Enforcement Efforts. The Indonesian National Police (INP) Narcotics and Organized Crime Directorate continues to improve its ability to investigate and dismantle international drug trafficking syndicates. The Narcotics Directorate has become increasingly active in regional targeting conferences designed to coordinate efforts against transnational drug organizations. The Indonesian National Police, Narcotics and organized Crime Directorate, has a good working relationship with its Thai and Australian counterparts and participates in joint investigations with DEA and other U.S. law enforcement agencies.

Recorded drug cases, including trafficking throughout Indonesia:					
2001:	3,013				
2002:	3,544				
2003:	3,729				
2004:	7,753				
2005:	20,023				
2006:	14,105				
Drugs Seized:					
	Heroin (kg)	Cocaine (kg)	Cannabis (mt)	MDMA (tablets)	Meth. (kg)
2001	13.5	15.2	15.7	22,627	412.5
2002	19.0	8.3	59.8	68,324	46.2
2003	13.0	13.4	43.3	183,721	16.3
2004	12.7	6.32	50.4	251,072	28.4
2005	17.71	1.0	20.9	233,467	318.15
2006	11.9	1.12	111.17	466,907	1,241.2
2005	Marijuana Plants:		160,211		
2006	Marijuana Plants:		1,019,307		

The Indonesian Narcotics Control Board (BNN) continues to strive to improve interagency cooperation in drug enforcement, interdiction, and precursor control. In 2005, under the auspices of BNN, the United States Government (USG)-sponsored PACOM JIATF West Joint Interagency Counter Drug Operations Center (JIACDOC) was opened in Jakarta, Indonesia. In 2006, the BNN had begun staffing and subsequently utilizing the JIACDOC's facilities to improve coordination and information exchange between various Indonesian law enforcement agencies and supporting ongoing narcotics investigations.

The INP Narcotics and Organized Crime Directorate continues to improve in its ability to investigate and dismantle international drug trafficking syndicates, as well as cooperate with other international law enforcement agencies. The Narcotics Directorate has become increasingly active in the regional targeting conferences designed to coordinate efforts against transnational drug and crime organizations. In 2006, INP attended the Drug Enforcement Conference (IDEC) held in Montreal, Canada. INP's Director for Narcotics and Organized Crime was subsequently appointed as the Chairman of the East Asia Regional IDEC Working Group.

Corruption. Indonesia has laws against official corruption and an effective anti-corruption commission; but despite these laws, corruption in Indonesia is endemic. As a matter of government policy and practice, the GOI does not encourage or facilitate the illicit production or distribution of drugs or the laundering of proceeds from illegal transactions.

Corruption of Indonesia's judiciary is pervasive and poses a significant threat to the country's counter drug strategy. Indonesian prosecutors' low wages encourage official corruption and explain a low level of motivation. The average salary of an Indonesian prosecutor with 30 years of seniority is approximately \$400 a month. Furthermore, corrupt police and prosecutors abuse their authority in illegal searches, as Indonesian courts do not exclude evidence obtained without a warrant. Corrupt prosecutors are suspected of carrying out investigations to elicit bribes from suspects. Similarly, corrupt officers in narcotics cases are reported to request bribes for a reduction in charges with defense attorneys serving as facilitators.

Agreements and Treaties. Indonesia is a party to the 1988 UN Drug Convention, the 1971 UN Convention on Psychotropic Substances and the 1961 UN Single Convention as amended by its 1972 Protocol. Indonesia is a party to the UN Convention against Corruption and has signed but not yet ratified the UN Convention against Transnational Organized Crime.

Cultivation/Production. The large-scale production of MDMA and methamphetamine is one of the most significant drug trafficking threats in Indonesia. Indonesian/Chinese trafficking syndicates exploit Indonesia's lax precursor chemical controls, weak law enforcement and political corruption to establish large-scale clandestine MDMA and methamphetamine laboratories capable of producing multi-hundred kilogram quantities. These syndicates secure precursor chemicals from the People's Republic of China (PRC). Production syndicates rely upon chemists trained in the Netherlands for the production of MDMA (Ecstasy), as well as chemists from Taiwan and Hong Kong for the production of crystal methamphetamine.

Normally, the production of MDMA and crystal methamphetamine in Indonesia never occurs in the same laboratory. Separate production syndicates specialize in either MDMA or methamphetamine. However, in 2005, INP seized the world's first combination clandestine MDMA/methamphetamine laboratory near Jakarta, Indonesia. This large-scale dual MDMA/methamphetamine laboratory was the third largest clandestine laboratory seized by law enforcement in the world and was capable of producing thousand-pound quantities of both illicit drugs. Subsequent investigation revealed that the construction of this clandestine laboratory was financed by an ethnic Chinese organized crime syndicate based in Hong Kong and mainland China. This syndicate utilized chemists from Taiwan for the production of methamphetamine and chemists from the Netherlands for the production of MDMA.

Marijuana is cultivated throughout Indonesia; the equatorial climate of Sumatra allows for year round growing and cultivation of marijuana. Large-scale (greater than 20 hectares) marijuana cultivation occurs in the remote and sparsely populated regions of the province, often in mountainous areas. Regional marijuana cultivation syndicates are believed to be exploiting INP's limitations by locating cultivation sites in remote and high elevation areas where there is little law enforcement presence.

Drug Flow/Transit. The INP reports that the majority of heroin seized in Indonesia originates in Afghanistan. The heroin trade in Indonesia is predominantly controlled and directed by Nigerians. Heroin is smuggled by West African and Nepalese trafficking organizations utilizing sources of supply in Karachi, Pakistan and Kabul, Afghanistan. West African and Nepalese couriers travel utilizing commercial air carriers transiting Bangkok, Thailand, and India, en route to Jakarta, Indonesia. In addition to heroin being trafficked domestically in Indonesia, heroin is also transshipped from Indonesia by couriers traveling via commercial air carrier to Europe, Japan and Australia.

Historically, MDMA has been smuggled into Indonesia from sources of supply in the Netherlands. However, in recent years importation has been unnecessary as there has been large-scale MDMA and methamphetamine production in Indonesia itself. MDMA and methamphetamine produced in Indonesia is trafficked both domestically and internationally. In addition, MDMA and methamphetamine produced in the People's Republic of China (PRC) is smuggled to Indonesia by Chinese organized crime syndicates based in Hong Kong. Specifically, Indonesian authorities point to two of the largest methamphetamine seizures of 2006, 200 kg (February 2006) and 956 kg (August 2006), which originated from the PRC and were smuggled via maritime cargo and fishing vessels.

INP reports that marijuana trafficking in Indonesia is controlled by Indonesian trafficking syndicates based out of Jakarta. The majority of marijuana cultivated in Indonesia is consumed domestically and typically is not trafficked to the international market. Although cocaine seizures continue to occur in major Indonesian airports, the market for cocaine in Indonesia is believed to be very small.

Demand Reduction. The GOI views drug abuse and narcotics trafficking as a major long term threat to social, Islamic and political stability. Government agencies continue to promote counternarcotics abuse and HIV/AIDS awareness campaigns through various media outlets. The BNN is responsible for the development of Indonesia's demand reduction programs. During 2006, BNN engaged in a large anti-narcotics campaign targeting a wide demographic of Indonesia's citizenry. No statistics exist regarding the success of these counternarcotics abuse programs.

IV. U.S. Policy Initiatives and Programs

Bilateral Cooperation. Indonesia and the U. S. maintain excellent law enforcement cooperation in narcotics cases. During 2006, the United States sent hundreds of INP officers to training on a variety of transnational crime topics. Furthermore, 120 Indonesian law enforcement officers attended training at the International Law Enforcement Academy (ILEA) in Bangkok. Similarly, training and development initiatives by Department of State INL funded DOJ ICITAP Indonesia Program, DEA, and PACOM JIATF West has trained hundreds of law enforcement officers from a variety of Indonesian government agencies. In 2006, DEA provided training in the areas of drug intelligence analysis, precursor chemical control, basic drug investigations and airport narcotics interdiction. USCG provided maritime boarding officer training as well. INP and BNN maintain excellent relationships with the DEA regional office in Singapore and continue to work closely with DEA in narcotics investigations.

The Road Ahead. In 2008 the U.S. will assist the BNN and its member agencies further utilizing the resources and capabilities of the Counter Drug Operations Center and Network. The U.S. will further work with INP and BNN to standardize and computerize the reporting methods related to narcotics investigations and seizures, develop a drug intelligence database, and build an information network designed to connect to the major provinces of Indonesia. This will permit Indonesian law enforcement to contribute to and access the database for investigations. Similarly, the U.S. will work with INP and BNN to further expand the scope and impact of narcotics investigations targeting the large-scale production of methamphetamine and MDMA in Indonesia.

Japan

I. Summary

While methamphetamine abuse remains the biggest challenge to Japanese anti-narcotics efforts, marijuana use also is widespread and MDMA (Ecstasy) trafficking has increased significantly. Cocaine use is much less prevalent but still significant. According to Japanese authorities, virtually all illegal drugs consumed in Japan are imported from overseas, usually by Japanese or foreign organized crime syndicates. In spite of legal and bureaucratic obstacles, Japanese law enforcement officials are becoming more proactive in addressing Japan's illegal drug distribution problem. Japanese Police conducted several complex drug investigations during 2007, both independently and in cooperation with the U.S. Drug Enforcement Administration (DEA) office in Tokyo. Japan is a party to the 1988 UN Drug Convention.

II. Status of Country

Japan is one of the largest markets for methamphetamine in Asia. Methamphetamine trafficking is a significant source of income for Japanese organized crime syndicates, and more than 80 percent of all drug arrests in Japan involve methamphetamine. MDMA is also a significant problem in Japan—over 1 million Ecstasy tablets had been seized by police as of November 2007, and officials say that they expect MDMA abuse to increase. Marijuana abuse also has grown steadily in Japan since 2000. In 2007, Japanese authorities discovered the first domestic commercial marijuana “indoor grow” operation. More generally, Japan is not a significant producer of illicit narcotics. The Ministry of Health, Labor and Welfare strictly controls some licit cultivation of opium poppies, coca plants, and cannabis for research. According to DEA and the Japanese National Police Agency, there is no evidence that methamphetamine or any other synthetic drug abused in Japan is manufactured domestically.

III. Country Actions Against Drugs in 2007

Policy Initiatives. The Headquarters for the Promotion of Measures to Prevent Drug Abuse, which is part of the Prime Minister's Office (Kantei), announced the Five-Year Drug Abuse Prevention Strategy in July 2003. This strategy includes measures to increase cooperation and information sharing among Japanese agencies and between Japanese and foreign law enforcement officials, promotes greater utilization of advanced investigative techniques against organized crime syndicates, and mandates programs to raise awareness about the dangers of drug abuse. The Ministry of Health, Labor and Welfare added 30 more drugs to its list of controlled substances in 2006 and plans to add three more in 2008.

Law Enforcement Efforts. Japanese police are increasingly effective at gathering intelligence and making arrests in spite of legal and operational constraints, but their investigations are largely reactive in nature. Prosecutors do not have the plea-bargaining tools to motivate the assistance of co-defendants and co-conspirators in furthering investigations. Japan also has laws restricting the proactive use of informants, undercover operations, and controlled deliveries using a human courier. When laws and circumstances allow, proactive policing does occur. Although wiretapping remains infrequent, police are increasingly making use of legislation that took effect in 2003 authorizing the use of telephone intercepts. In addition, officials maintained detailed records of Japan-based drug trafficking, organized crime, and international drug trafficking organizations. Japan regularly shares intelligence with foreign enforcement agencies and participates readily in international drug trafficking investigations with a Japanese nexus.

The supply of methamphetamine in Japan appears to be on the rise after a period of decline. The mid-2006 closure of several methamphetamine mega-labs in Indonesia, Malaysia, and the Philippines, combined with tightened security measures in the Sea of Japan, are believed to have been responsible for a decline in availability that led to a spike in methamphetamine prices that lasted until mid-2007. Law enforcement officials believe Chinese traffickers, using supplies from China and Canada, have stepped in to fill the production gap. Methamphetamine prices have returned to their May 2006 levels, indicating a significant rebound in available supply.

After a year of unremarkable interdictions in 2006, increased efforts by Japanese customs officials produced dramatic results in 2007. In August 2007, police and customs officials seized 688,000 MDMA tablets, 155 kg of methamphetamine, and 280 kg of marijuana from a vessel originating in Vancouver, Canada. In the first half of 2007, police had seized 112 kg of methamphetamine, eight times more than the 14 kg confiscated during the same period in 2006. More than 1 million tablets of MDMA/Ecstasy had already been seized by November, five times more than in all of 2006. Marijuana and cannabis resin seizures January – June 2007 were 12 kg and 83 kg respectively, approximately the same as the previous year. Cocaine, heroin, and opium seizures remained low, roughly at their 2006 levels.

Corruption. There were no reported cases of Japanese officials being involved in drug-related corruption in 2007. The government does not encourage or facilitate the illicit production or distribution of narcotics, psychotropic drugs, controlled substances, or the laundering of proceeds from illegal drug transactions.

Agreements and Treaties. Japan's parliament failed to agree on an anti-conspiracy bill for the fourth consecutive year. As a result, Japan still cannot ratify the UN Convention against Transnational Organized Crime. Japan is a party to the 1988 UN Drug Convention, the 1961 UN Single Convention, as amended by the 1972 Protocol, and the 1971 UN Convention on Psychotropic Substances. Japan has signed but not ratified the UN Convention against Corruption. An extradition treaty is in force between the U.S. and Japan, and a Mutual Legal Assistance Treaty (MLAT) went into effect in August 2006—Japan's first MLAT with any country. The MLAT allows Japan's Ministry of Justice to share information and cooperate directly with the Department of Justice in connection with investigations, prosecutions and other proceedings in criminal matters.

Cultivation/Production. Japan is not a significant cultivator or producer of controlled substances. The Ministry of Health, Labor, and Welfare's research cultivation program produces a negligible amount of narcotic substances purely for research purposes.

Drug Flow/Transit. Authorities believe that methamphetamine smuggled into Japan originates in the People's Republic of China (PRC), Taiwan, North Korea, Burma, Malaysia, Indonesia, the Philippines, and Canada. Drugs other than methamphetamine often come from these same source countries, but airport customs officials have made several recent seizures of cocaine transiting from the United States, and authorities confirm that methamphetamine, MDMA, and marijuana are being imported in large quantities from Canada as well. Most of the MDMA in Japan originates in either the Netherlands or China.

Domestic Programs/Demand Reduction. Most drug treatment programs are small and are run by private organizations, but the government also supports the rehabilitation of addicts at prefectural (regional) centers. There are a number of government-funded drug awareness campaigns designed to inform the public about the dangers of stimulant use, especially among junior and senior high school students. The Ministry of Health, Labor, and Welfare, along with prefectural governments and private organizations, continues to administer national publicity campaigns and to promote drug education programs at the community level.

IV. U.S. Policy Initiatives and Programs

Policy Initiatives. The United States will build on the successes of the last year by strengthening law enforcement cooperation related to controlled deliveries and drug-related money-laundering investigations. Other U.S. objectives include encouraging more demand reduction programs; supporting increased use of existing anticrime legislation and advanced investigative tools against drug traffickers; and promoting greater involvement from government agencies responsible for financial transaction oversight.

The Road Ahead. DEA Tokyo will continue to work closely with its Japanese counterparts to offer support in conducting investigations on international drug trafficking, money-laundering, and other drug-related crimes. DEA will continue to pursue an aggressive education and information-sharing program with Japanese law enforcement agencies to foster knowledge of money laundering investigations, and their relationship to narcotics trafficking and terrorist financing.

Laos

I. Summary

Laos made tremendous progress in reducing opium cultivation between 2000 and 2007, and estimates by the USG and UNODC of poppy cultivation in 2007 were at the lowest levels ever. However, the momentum of this effort may be slowing, and gains remain precarious. Thousands of former poppy growers who have yet to receive alternative development assistance create a substantial potential for a renewal of poppy production. Trafficking in illegal drugs and controlled chemicals continues unabated throughout the country. Both awareness programs and treatment capacity targeting abuse of methamphetamines expanded during 2007, but remain insufficient to respond to the very high level of methamphetamine abuse which now affects virtually every socio-economic group in Lao society. Law enforcement capacity is woefully inadequate, and the inability to establish an effective deterrent to regional trafficking organizations makes Laos a transit route of choice for Southeast Asian heroin, amphetamine-type stimulants (ATS), and precursor chemicals en route to other nations in the region. The combination of weak law enforcement, a central geographic location, and new highways and river crossings connecting China, Thailand and Vietnam will be likely to exacerbate this already troubling transit situation. Laos is a party to the 1988 UN Drug Convention.

II. Status of Country

In 2007, the Government of Laos (GOL) continued its battle to eliminate cultivation of opium, with continuing but diminishing assistance from international donors. Donors sought primarily to alleviate rural poverty, and secondarily to reduce cultivation of illegal drugs. High prices for unprocessed opium, driven by a reduction in supply and a remaining population of opium addicts estimated at 12,000, frustrated efforts to completely end poppy cultivation. Inhabitants of many villages in former opium growing regions face increasingly desperate circumstances. Many former poppy growers, finding themselves without the assistance they expected, face severe food security problems. These circumstances create significant incentives for resumption of poppy cultivation by growers and communities that had abandoned it. Only the provision of adequate medium- to long-term rural development assistance will enable the Laotian authorities to completely and sustainably eliminate opium cultivation.

Methamphetamine and similar stimulants constitute the greatest current drug abuse problem in Laos. The abuse of methamphetamines, once confined primarily to urban youth, is becoming more common among rural peoples in highland areas and has had some visible impact on virtually every socio-economic group in Laos. The scope of this problem has overwhelmed the country's limited capacities to enforce laws against sale and abuse of illegal drugs, and to provide effective treatment to addicts. Methamphetamine in Laos is largely consumed in tablet form, but drug abuse treatment centers report admission of a growing number of users of injected amphetamine-type stimulants (ATS). Continued emphasis on drug abuse prevention through comprehensive drug awareness programs, and greatly increased capacity to provide effective treatment to addicts, are both essential to control the growth in domestic demand for ATS.

Heroin abuse in Laos, once limited to foreign workers and tourists, has emerged as a potentially serious problem in highland areas bordering Vietnam. Injected heroin is replacing smoked opium as the preferred method for illegal drug abuse in some ethnic minority communities, bringing with it an attendant potential for increased transmission of HIV/AIDS, hepatitis or other blood-borne diseases. The Laotian government is working to develop a treatment capacity to address this new

problem, but at present, there is only one facility in Laos which has a marginal capability to address the problem of heroin abuse.

Laos occupies a strategic geographic position in the center of mainland Southeast Asia. It contends with long, remote and geographically difficult borders which are very difficult to effectively control. Illicit drugs produced in Burma and precursor chemicals diverted from China are trafficked through landlocked Laos to Thailand and Vietnam, and from major ports in those countries to other nations in the region. Recently completed sections of the Kunming-Bangkok Highway in northwestern Laos, and the Danang-Bangkok Highway in southern Laos, have further aggravated this problem, as new high-speed truck routes overwhelm limited existing border control capacity. Enhanced law enforcement and border control, and more effective regional cooperation, could assist in ameliorating this problem, but will require substantial investment in Laos and its neighboring countries.

III. Country Actions against Drugs in 2007

Policy Initiatives. Laos did not introduce any significant new drug control policy initiatives in 2007. The Lao government instead emphasized implementing existing policies, including its policy commitment to complete elimination of opium cultivation, and on securing sufficient support from international donors to make drug control policies effective in practice.

Law Enforcement Efforts. Laos' law enforcement and criminal justice institutions remain inadequate to deal effectively with the problems created by domestic sale and abuse of illegal drugs and international trafficking in drugs, chemical precursors and other contraband. Laos does not currently possess means to accurately assess the extent of production, transit or distribution of ATS or its precursors. There has been an increase in reported seizures of ATS moving in transit through Laos to neighboring countries. Methamphetamine addiction and related crime in Laos have grown rapidly. Laos' principal narcotics law enforcement offices are Counter Narcotics Units (CNU's), the first of which was created in 1994 and which now exist as elements of provincial police in all provinces. The CNU's, however, remain generally understaffed, poorly equipped, and with personnel inadequately trained and experienced to deal with the drug law enforcement environment in Laos. CNU's in most provinces generally number fewer than 15 officers, who are responsible for patrolling thousands of square kilometers of rugged rural terrain, and starting in 2007, for drug education as well. This limited law enforcement presence in rural areas creates an obvious vulnerability to establishment of clandestine drug production or processing activities by regional organizations seeking new locations, although it cannot be confirmed that this has yet actually happened. Assistance provided by the USG, UNODC, South Korea and China has mitigated equipment and training deficiencies to some extent, but prosecutions that do occur almost exclusively involve street-level drug pushers or low-level couriers. As in many developing countries, Lao drug enforcement and criminal justice institutions have demonstrated a continuing serious inability to investigate and develop prosecutable cases against significant drug traffickers without external assistance, and Lao authorities have generally pursued such major cases only under international pressure.

The Lao National Assembly passed a narcotics law that defines what substances are prohibited and which pharmaceuticals are permissible for medical use. The new law also outlines criminal penalties for possession and contains provisions for asset seizure. Prosecutors still lack legal means to seize assets of convicted drug traffickers except for those assets that were the instruments of the drug trafficking offense. Extrajudicial asset seizures reportedly may occur in some cases. The National Assembly and the Lao National Commission for Drug Control and Supervision (LCDC) are now working on implementing regulations for the new law.

Laos did not make significant progress in disrupting domestic distribution of illegal drugs in 2007. There is no reliable estimate of illegal sales on a national basis, but secondary information, such as increasing property crime, the emergence of youth gangs, growing methamphetamine addiction and the emergence of heroin addiction among Lao and ethnic minority groups all suggest that trafficking in drugs for internal sale and abuse in Laos is increasing. Individuals or small-scale merchants undertake the majority of street-level methamphetamine sales. Criminal gangs involved in drug trafficking across the Lao-Vietnamese border, especially gangs that involve ethnic minority groups represented on both sides of the border, constitute a particular problem for Lao law enforcement. Such cross-border gangs now reportedly play a leading role in the significant expansion of injected heroin use in northern Laos, and in the cultivation of marijuana for export in the central province of Bolikhamxai.

Opium distribution is now relatively limited. Net production within Laos has diminished below estimated consumption levels, making Laos now probably a net importer of unprocessed opium. The majority of opium addicts still reside in households or villages that produce, or used to produce, opium poppy. There is some opium distribution between villages; especially as remaining opium cultivation is displaced to more distant and remote locations. Despite progress made by the Lao government in reducing the number of opium addicts, Laos continues to suffer from one of the highest opium addiction rates in the world.

Corruption. Corruption in the Lao People's Democratic Republic (PDR), long present in many forms, may be increasing as the flow of illicit drugs and precursors in and through Laos grows. Lao civil service pay is inadequate, and those able to exploit their official positions, particularly police and customs officials, can augment their salaries through corruption. This is especially true in areas distant from central government oversight. Lao law explicitly prohibits official corruption, and some officials have been removed from office, and/or prosecuted, for corrupt acts. The GOL has made fighting corruption one of its declared policy priorities, and has made serious efforts to do this, but such efforts confront entrenched corruption throughout much of the government bureaucracy. As a matter of government policy, Laos strongly opposes the illicit production or distribution of narcotic drugs, psychotropic or other controlled substances, and the laundering of the proceeds of illegal drug transactions. No senior official of the GOL is known to engage in, encourage, or facilitate the illicit production or distribution of illegal drugs or substances, or the laundering of proceeds of illegal drug transactions.

Agreements and Treaties. The USG signed initial agreements to provide international narcotics control assistance in Laos in 1990, and has signed further Letters of Agreement (LOAs) to provide additional assistance to projects for Crop Control, Drug Demand Reduction, and Law Enforcement Cooperation annually since then. Laos has no bilateral extradition or mutual legal assistance agreements with the United States. During 2007, Laos delivered no suspects or fugitives on drug offenses to the United States under any formal or informal arrangement. Laos is a party to the 1988 UN Drug Convention. It has made substantial progress in the control of opium cultivation, production and addiction, but has not yet achieved all objectives of the 1988 UN Convention. Laos is party to the 1961 UN Single Convention, but is not yet party to the 1972 Amending Protocol to the Single Convention. Laos is a party to the 1971 UN Convention on Psychotropic Substances. Laos is a party to the UN Convention against Transnational Organized Crime, and its three protocols. Laos is also a party to the UN Convention against Corruption. GOL officials consult frequently with UNODC on narcotics control issues and strategy, and UNODC continues to support a number of crop control, demand reduction and law enforcement programs. Laos has legal assistance agreements with China, Thailand, Vietnam, Cambodia, Burma and Indonesia. Lao membership in ASEAN and APEC has increased the number of bilateral and multilateral legal exchanges for Laos since 2000, and training programs supported by several international donors are improving the capacity of the Ministry of Justice, police, customs and immigration officials to

cooperate with counterparts in other countries. Laos has declared its support for the ASEAN initiative to promote a drug-free region by 2015. Laos has extradition treaties with China, Thailand, Vietnam and Cambodia. The GOL has assisted in the arrest and delivery of individuals to some of those nations, but does not use formal extradition procedures in all cases. Laos has participated in bilateral conferences with Thailand on drug control cooperation, and cooperates with Thailand and UNODC in measures to prevent drug trafficking along the Mekong. Laos has met trilaterally on narcotics issues with Vietnam and Cambodia, and participates in an occasional regional consultative group on drug issues under UNODC auspices which brings together officials from those four countries, Burma and China.

Cultivation/Production. In 2007, Laos again made measurable progress in further reducing opium poppy cultivation. Estimates of poppy cultivation in Laos by the UNODC (1500 hectares, down from 2500 hectares in 2006) and the USG (1100 hectares, down from 1700 hectares in 2006) stood at the lowest level since such estimates were first prepared in the 1980's. The remaining poppy cultivation observed in these surveys was encountered in five northern provinces: Phongsaly, Luang Namtha, Oudomxay, Luang Prabang and Huaphan. Opium production, as estimated by UNODC, also declined from 2006, from an estimated 20 metric tones in 2006 to an estimated 9.2 metric tones in 2007. UNODC reported that its survey found a reported average price for opium in Laos of \$974/kilogram, nearly double the \$550/kilogram reported in 2006. With the decline in estimated production and increasing price, UNODC estimates that Laos has now become a net importer of opium to supply its remaining population of opium addicts.

Most opium produced in Laos is consumed domestically in northern border areas, where raw and cooked opium is smoked or eaten. The share of the opium product in Laos at this time that is refined into heroin is thought to be very small or nonexistent. Sustained high farm prices in growing areas suggest that the supply of available opium is decreasing more rapidly than the demand. Reportedly, increased prices for opium were one of the factors that led to a notable spread in injected heroin abuse among ethnic minority groups resident in poppy-growing border areas during 2007. The USG Crop Control projects implemented in Laos from 1990 to 2005 did not employ chemical herbicides or any other form of compulsory eradication of opium poppy. The government of Laos began forced eradication in 2003, and since 2006, USG crop control assistance has supported the limited use of involuntary eradication (by hand) when individual farmers are found attempting to cultivate poppy. Opium eradication in 2007 totaled more than 700 hectares. Within the areas of the Lao-American Projects for opium poppy reduction in Houaphan, Phongsaly and Luang Prabang, growers themselves, or officials of their villages, carried out eradication of poppy as a condition of written agreements between villages and GOL authorities that villages would cease production of opium. In recent years, and particularly since it declared Laos to be formally opium-free in 2006 (a policy assertion it justifies by arguing that net eradication which GOL officials carry out reduces harvestable cultivation to insignificant levels), the GOL has stated that it may employ compulsory poppy eradication in selected areas where alternative development programs are not available, or have not by themselves sufficed to reduce and eliminate poppy cultivation. The GOL reported to UNODC that its officials eradicated a total of 779 hectares of poppy in 2007.

Despite the positive results of the 2007 opium crop survey, the UNODC Resident Representative in Laos noted in announcing those results that the situation of the farm population that has depended primarily or exclusively on poppy cultivation remains "precarious" and that "the current reduction in cultivation is dependent on the existence and creation of appropriate and sustainable livelihood opportunities." However, UNODC reports that international donor support for such alternative development programs continues to diminish. UNODC has reported that many former opium growers survived the loss of income from opium only by consuming their savings, generally in the form of livestock. Such savings, where they existed, are now depleted. The U.S. Embassy in Laos

has received frequent reports from the World Food Program of serious food security concerns among rural populations, but the WFP and other donors also report diminishing international resources available for food security assistance. Villages and farming groups who stopped growing poppy because they expected alternative livelihood assistance are becoming disillusioned. Continued diminution in medium-term international support for alternative livelihoods among populations previously dependent on poppy cultivation creates a substantial continuing risk that 2008 and future years will be characterized by resumption of poppy cultivation among farm populations that correctly perceive no other remaining alternative.

After several years in which cannabis cultivation and reported seizures diminished, there now again appears to be substantial “contract” cannabis production in central Laos, as evidenced by significant recent seizures in that region. Continuing use of cannabis as a traditional food seasoning in some localities complicates attempts to eradicate this crop.

Drug Flow/Transit. Laos’ highly porous borders are dominated by the Mekong River and remote mountainous regions. This terrain is notoriously difficult to control, and is permeable to trafficking of illicit drugs or other contraband, although there are no reliable estimates of the possible volume of such flows. An increase in the number and size of seizures in neighboring countries of drugs that reportedly passed in transit through Laos suggests an increasing transit problem. Illegal drug flows include methamphetamine, heroin, marijuana and precursor chemicals destined for other countries in the region, some of which is diverted for consumption in Laos. Opium and methamphetamine from Laos are shipped to the U.S. via parcel post and commercial express packages.

New regional transportation infrastructure, trade agreements, and special economic zones intended to facilitate regional trade and development may inadvertently also benefit transnational criminal trafficking organizations. The opening of two new transit arteries in Southeast Asia that pass through Laos, one a continuous paved highway running from Danang in central Vietnam to Bangkok, and another from Kunming to Bangkok, have greatly complicated the already difficult challenge posed by illicit transit of drugs or other contraband for Lao law enforcement and border control agencies. Truck-borne cargo containers transit Laos from the Chinese border at Boten to the Thai border at Houayxai in six hours, and the trip from Lao Bao, Vietnam, through southern Laos to Mukdahan, Thailand takes only four hours. There are also indications of continued drug and chemical smuggling on the Mekong River. Laos is not a principal destination for the majority of cargo that transits its territory, but the volume of traffic overwhelms Laos’ limited capacity for border control, and becomes a continuing problem for Laos’ geographic neighbors. In addition to increased volume, new bilateral and regional trade agreements will also result in proportionally fewer cargo inspections and a greater reliance on intelligence to identify suspect shipments of drugs or other contraband. Laos, which has very limited capabilities in this area, will have to rely substantially on regional cooperation with its neighbors to effectively impede trafficking in illegal drugs or other contraband. While clearly beneficial for legitimate trade, the potential for abuse of these developing arrangements for illicit trafficking in drugs or other contraband is considerable.

Illicit trafficking in drugs also may be growing on less developed routes. There are unconfirmed reports that heroin destined for southern Vietnam may now be moving along sections of the former Ho Chi Minh Trail in Laos. Transit costs are low, and anecdotal evidence suggests that some trafficking organizations formerly involved with opium may now be shifting to moving and marketing methamphetamine, which is easier to move and has a growing market in Laos. It is likely that some individuals or organizations that traffic in drugs are also involved in legitimate businesses, in part as a way to cover their drug-trafficking activities.

Domestic Programs. Laos made limited advances during 2007 in reducing the demand for and consumption of illicit drugs. The most significant single new development was the opening of a new 100-bed drug addiction treatment facility in Udomxai Province, built with funds from China.

Brunei funded construction of two smaller drug abuse treatment facilities in Sayabouri, which opened in January 2007. The United States supported the renovation of the women's rehabilitation facility at the Somsagna treatment center on the outskirts of Vientiane, which can house up to 64 female patients. The U.S. is also preparing to finance construction of a new smaller center in Vientiane Province about 70 kilometers from the capital, which is scheduled for completion in 2008.

Despite this augmentation of Laos' treatment capacity, the capacity of existing facilities remains well short of even the most optimistic estimates of the numbers in Laos addicted to methamphetamine or other illegal drugs. Available evidence suggests that many untreated addicts turn to crime as a means to support their addiction. Most existing treatment facilities are notably deficient in staff proficiency and effective vocational training. The national treatment center at Somsagna has reported guardedly hopeful results, but limited marketable post-release skills have left many addicts vulnerable to recidivism. The U.S. is providing assistance to treatment facilities throughout Laos to enhance their capabilities to offer effective pre-release vocational preparation. In 2008, the GOL will undertake a new nationwide drug awareness program and media campaign with U.S. support.

Estimates by the GOL in 2007 indicate that the number of remaining opium addicts has stabilized at approximately 12,000, after years of steady decline. Many opium addicts may remain unreported, either because they reside in extremely remote areas, or because they wish to conceal their addiction, or both. Significant impediments to the effective treatment of all opium addicts include the ill health of many elderly opium users, the isolated location of some addict populations, and the lack of sufficient rural health care infrastructure to displace traditional medicinal use of illegal opium, which often serves as the entrance to addiction. Detoxification of opium addicts will probably become increasingly difficult as their numbers diminish, since those remaining are likely to be the most resistant to treatment. Recidivism is estimated at approximately 45 percent, and information about follow-on rehabilitation is scanty. Moreover, during 2007 a disturbing new development became visible as a significant number of former opium users among ethnic minorities living on the border with Vietnam reported having turned from opium to abuse of injected heroin. The GOL hopes to ultimately treat all remaining opium addicts, since ending opium addiction and thus eliminating the market for domestic consumption of opium is critical to complete and sustainable elimination of cultivation of opium poppy.

IV. U.S. Policy Initiatives and Programs

Policy Initiatives. The United States continues to be a substantial, albeit diminished, donor of drug control assistance to Laos. Other donors (primarily European but now including some other Asian countries) have become the largest contributors to alternative development programs for opium poppy crop reduction. The Lao-American Opium Crop Control Projects in Phongsaly and Luang Prabang Provinces, which delivered integrated rural development assistance to reduce poppy cultivation, were completed in December 2007. The limited remaining assistance in the USG Crop Control project will in 2008 be delivered to more direct and limited village-based alternative livelihood programs, designed to provide assistance to hundreds of former opium growing communities that have not yet received such assistance. The U.S. cooperates closely with international organizations such as UNODC and the World Food Program in areas where serious economic distress in farming communities makes resumption of opium cultivation a continuing significant possibility.

Bilateral Cooperation. Since U.S. drug control assistance to Laos began in 1989, the U.S. has provided over \$42-million, which has been employed primarily to support the successful, multi-year effort that has reduced poppy cultivation in Laos to a historically low level. During 2007, with the established Lao-American Projects closing down, the NAS (Narcotics Affairs Section) in

Vientiane cooperated closely on Crop Control and Demand Reduction projects with the Programme Facilitation Unit (PFU), an element of LCDDC, primarily responsible for implementing alternative development and opium addict detoxification. U.S. funds for drug demand reduction activities support enhancements to methamphetamine abuse treatment centers including vocational training, and a variety of national drug awareness and prevention programs. Limited U.S. law enforcement assistance funds support very limited operational costs, training and equipment for Counter Narcotics Units (CNU's) and the Lao Customs Department. These limited funds are complemented by continuing regular Lao participation in regional training opportunities offered by the U.S. and Thailand at the International Law Enforcement Academy in Bangkok. Bilateral cooperation in drug law enforcement improved somewhat in 2007, with DEA receiving drug samples from the GOL for the first time since 2005.

The Road Ahead. Laos' two-decade effort to sustainably eliminate opium poppy cultivation has reached an advanced stage, but as noted by GOL, UNODC and third country officials—and large numbers of Lao farmers—it is by no means over. If significant near-term emergency food security support, and medium- to long-term assistance to establish viable alternative livelihoods, is not delivered in 2008 and the coming few years, it is very probable that the decline in poppy cultivation observed in 2007 will be the last for many years. If former poppy growers revert to opium cultivation, persuading them a second time to stop will be far more difficult. Laos does not have the law enforcement and criminal justice capabilities and resources necessary to prevent large-scale trafficking of methamphetamine and other illicit drugs and contraband through Laos, nor the distribution, sale and abuse of illegal drugs among the Lao people. For this reason, the GOL will be compelled to rely for its immediate future on drug demand reduction measures for drug abuse prevention and treatment to respond to its epidemic of illegal drug abuse. Existing programs to educate youth and other vulnerable groups on the dangers of addiction must be enlarged and reinforced, and drug abuse treatment availability must be greatly further enhanced. Better Lao integration in regional anti-trafficking initiatives and a substantially enhanced investment in law enforcement and criminal justice institutions are essential for Laos to respond effectively to regional and international trafficking and organized crime.

Malaysia

I. Summary

Malaysia is not a significant source country or transit point for U.S.-bound illegal drugs; however, domestic drug abuse in Malaysia remains on the rise, and Malaysia is increasingly being used as a regional hub for methamphetamine production. The government continues promoting its “drug-free by 2015” policy. Malaysia’s counter narcotics officials and police officers have the full support of senior government officials, but instances of corruption hindered adequate enforcement and interdiction. Malaysia has a low conviction rate (2 percent) for arrested drug traffickers, and the country relies heavily on preventive detention rather than active prosecution (98 percent of the time). Malaysia’s sensitivities to issues of national sovereignty circumscribe U.S. – Malaysian cooperation. It is noteworthy that in the past two years the Royal Malaysia Police (RMP) have had five different Narcotics directors. Each time a new director is put in place, a lengthy transition period takes place and momentum toward cooperation is stalled. The U.S. maintains active programs for training Malaysian counter narcotics officials and police. Malaysia is a party to the 1988 UN Drug Convention.

II. Status of Country

Malaysia is not a significant source country or transit point for U.S.-bound illegal drugs. Nevertheless, regional and domestic drug-trafficking remains a problem and international drug syndicates are increasingly turning to Malaysia as a regional production hub for crystal methamphetamine and Ecstasy (MDMA). Narcotics imported to Malaysia include heroin and marijuana from the nearby Golden Triangle area, and other drugs, such as amphetamine type stimulants (ATS), including crystal methamphetamine, Ecstasy and Ketamine from India. These imports either transit Malaysia bound for other markets such as Thailand, Singapore, China and Australia, or are consumed domestically as local consumption continues to rise. Police report that Ketamine and crystal methamphetamine are the fastest growing illicit drug in Malaysia.

Between January and August 2007, police encountered and identified 10,800 addicts of whom 4,934 were new cases. Since 1988, the Malaysian Government cumulatively has identified 300,241 drug addicts, and the government-linked Malaysia Crime Prevention Foundation estimated, in October 2007, that there are currently some 900,000 to 1.2 million drug addicts in Malaysia. Statistics continue to show that the majority of the nation’s drug addicts are between 19 and 39 years of age and have not completed high school.

III. Country Actions Against Drugs in 2007

Policy Initiatives. Malaysia continues a long-term effort launched in 2003 to reduce domestic drug use to negligible levels by 2015, a goal shared by the whole of ASEAN. Senior officials including the Prime Minister continue to speak out strongly and frequently against drug abuse. The Prime Minister chairs the Cabinet Committee on Eradication of Drugs, composed of 20 government ministers. The National Anti-Drugs Agency (NADA) is the policy arm of Malaysia’s counter narcotics strategy, coordinating demand reduction efforts with various cabinet ministries. Malaysian law stipulates a mandatory death penalty for major drug traffickers, with harsh mandatory sentences also applied for possession and use of smaller quantities. In practice however, many minor offenders are placed into treatment programs instead of prison or referred to the “Preventive Measures Act” where they can be held for two years (renewable to eight years).

Law Enforcement Efforts. Malaysian authorities raided three clandestine drug labs in 2007, and had several successful drug seizures confiscating large quantities of methamphetamines and

Ecstasy (MDMA). Police arrested 36,534 people for drug-related offenses between January and August 2007, and held in detention or rehabilitation centers a total of 111,416 drug addicts during the same period. Enforcement officials continued to show successes in ATS related seizures and have also recorded a higher level of heroin seizures over the same period than last year. The Royal Malaysian Police recorded a forty-six percent increase in confiscated property derived from drug related cases for the first eight months of 2007.

Malaysian police are generally effective in arresting small-time drug offenders but have shown limited success in arresting mid- to upper level syndicate members. The Royal Malaysian Police have acknowledged these shortcomings and have begun implementing training plans to improve their investigations and procedures. These training programs include the DEA KLCO instituting a narcotics “skill set” as part of the DEA sponsored “Baker Mint” anti-narcotics training. This training includes a 40 hour course on DEA approved classroom and practical instruction. Prosecutorial successes are generally of even quality with police investigations, i.e., more trouble convicting higher-level drug syndicate members. In one widely publicized example in 2007, three accused drug traffickers facing the death penalty were released from custody when the prosecutor failed to show up in court for the trial. Most suspected traffickers continue to be detained under Malaysia’s “special preventive measures,” including the Restricted Residence Act and the Emergency Ordinance 1969, which allow for detention without trial of suspects who pose a threat to public order or national security. There is very limited judicial oversight for these preventive detention laws.

Corruption. As a matter of government policy, Malaysia does not encourage or facilitate illicit production or distribution of narcotic or psychotropic drugs or other controlled substances, or the laundering of proceeds from illegal drug transactions. While Malaysian and foreign media organizations continued to highlight cases of government, no senior officials were arrested for drug-related corruption in 2007. Malaysia’s Anti-Corruption Agency (ACA) investigated competing complaints filed against several senior police officers and one deputy cabinet minister for corruption involving known drug trafficking syndicates, including allegations of corruption concerning the release of suspects from preventative detention. The ACA’s investigations found no evidence to substantiate any of the allegations, and all parties remained in office.

Agreements and Treaties. Malaysia is a party to the 1988 UN Drug Convention, the 1961 UN Single Convention as amended by the 1972 Protocol, and to the 1971 UN Convention on Psychotropic Substances. Malaysia signed a mutual legal assistance treaty (MLAT) with the U.S. in July 2006. The U.S.-Malaysian MLAT has not yet entered into force. Malaysia also has a multilateral MLAT with seven Southeast Asian nations, and an MLAT with Australia. The U.S.-Malaysia Extradition Treaty has been in effect since 1997, and in 2007 the first successful extradition was completed.

Cultivation/Production. While there is no notable cultivation of U.S.-listed drugs in Malaysia, local officials report significant cultivation/presence of a local plant known as ketum (*Mitragyna speciosa*) with known psychoactive properties and used for its narcotic effects throughout the region. ATS production has shown a marked increase over the past year leading local officials to admit that international drug syndicates are beginning to use Malaysia as a base of operations.

Drug Flow/Transit. Drugs transiting Malaysia do not appear to make a significant impact on the U.S. market. However, Malaysia’s proximity to the heroin production areas and methamphetamine labs of the Golden Triangle leads to smuggling across Malaysian borders, destined for Australia and other markets. Ecstasy from Amsterdam is flown into Kuala Lumpur International Airport (KLIA) for domestic use and distribution to Thailand, Singapore, and Australia. Ketamine comes from Tamil Nadu (Southern), India and is exported to several countries in the region. There is evidence of increased transit of cocaine although police have not yet thoroughly developed

information on this trend. Production of ATS in Malaysia is unquestionably on the rise, as evidenced by the elimination of three large methamphetamine labs in 2007 and the seizure of a substantial quantity of precursor chemicals found at each of these labs.

Domestic Programs (Demand Reduction). The NADA targets its demand reduction efforts toward youth, parents, students, teachers, and workers, with extensive efforts to engage schools, student leaders, parent-teacher associations, community leaders, religious institutions, and workplaces. Government statistics indicate that 6,447 persons were undergoing treatment at Malaysia's 29 public rehabilitation facilities as of June 2007, indicating over a fifty percent increase from last year.

IV. U.S. Policy Initiatives and Programs

Bilateral Cooperation. U.S. counternarcotics training continued in 2007, via the International Law Enforcement Academy (ILEA) in Bangkok and the "Baker-Mint" program sponsored by the U.S. Department of Defense. Baker-Mint aims to raise the operational skill level of local counter narcotics law enforcement officers. In 2007, U.S. officials from the Department of Justice, DEA, and FBI presented a training workshop for Malaysian prosecutors, counternarcotics and criminal investigators on interviewing and interrogation techniques. In addition, USCG conducted basic and advanced boarding officer training for Malaysian maritime law enforcement officers.

The Road Ahead. The United States' goals and objectives for the year 2008 are to improve coordination and communication between Malaysian and U.S. law enforcement authorities in counternarcotics efforts. United States law enforcement agencies will utilize better coordination with Malaysian authorities to interdict drugs transiting Malaysia, and to follow regional and global leads. U.S.-funded counternarcotics training for Malaysian law enforcement officers will continue and U.S. agencies will continue working with Malaysian authorities to improve Malaysia's investigative and prosecutorial processes.

Mongolia

I. Summary

Drug trafficking and abuse are not widespread in Mongolia, but continue to rise and draw the attention of the government. Mongolia's young, burgeoning urban population is especially vulnerable to the growing drug trade. The government continues to implement the National Program for fighting Narcotics and Drugs, adopted in March 2000. The National Council, headed by the Chief of Police, coordinates implementation of this program. The program is aimed at preventing drug addiction, drug-related crimes, creating a legal basis for fighting drugs, implementing counternarcotics policy, and raising public awareness of the drug-abuse issue. Mongolia is a party to the 1988 UN Drug Convention.

II. Status of Country

Mongolia's long, unprotected borders with Russia and China are vulnerable to all types of illegal trade, including drug trafficking. Police believe that most smuggled drugs come from China, and are carried by Mongolian citizens. Illegal migrants, mostly traveling from China through Mongolia to Russia and Europe, also sometimes transport and traffic in drugs. Police express particular concern that, if drug use in Mongolia continues to rise, organized-crime involvement in the trade will grow beyond the current low levels. The Government of Mongolia (GOM) has made the protection of its borders a priority. U.S.-sponsored projects to promote cooperation among the security forces have provided some assistance, as has training. A lack of resources and technical capacity, along with corruption in the police forces and other parts of government, hinder Mongolia's ability to patrol its borders, detect illegal smuggling, and investigate transnational criminal cases.

III. Country Actions Against Drugs in 2007

Policy Initiatives/Law Enforcement. The Mongolian Government and law-enforcement officials have increased their participation in international fora focused on crime and drug issues. In September, Mongolian police took part in a regional counternarcotics conference in Russia called "Channel 2007." During the event, the Mongolians reportedly provided their Chinese counterparts with information on African drug traffickers based in Beijing. Chinese law enforcement was later able to identify the group in question and take appropriate measures.

Corruption. Mongolian internal corruption and related criminal activity appear unrelated to narcotics activities. The Anti-Corruption Agency (ACA), an independent governmental body with 90 employees, was formed on January 1, 2007, and on September 7, 2007, acquired investigative power, previously held by police and prosecutors. The ACA quickly succeeded in compelling the country's top 252 officials, including all Parliamentarians, Cabinet ministers and Supreme Court justices, to declare their assets and income. The weakness of the legal system and financial structures leaves Mongolia vulnerable to exploitation by drug traffickers and international criminal organizations, particularly those operating in China and Russia.

The Government was not afraid to imprison senior officials convicted of drug offenses. In October, a court in Ulaanbaatar imposed a ten-year sentence to Shatarbal Dugerjav, who had worked as a Counselor at Mongolia's Embassy in Bulgaria. In March 2005, Dugerjav was driving his car when a search by Bulgarian police found 138 kg of psychotropic drugs in the vehicle, allegedly bound for Turkey.

Agreements and Treaties. Mongolia is a party to the 1988 UN Drug Convention, the 1961 UN Single Convention as amended by its 1972 Protocol, and the 1971 UN Convention on Psychotropic Substances. Mongolia also is a party to the UN Convention Against Corruption. The GOM attempts to meet the goals and objectives of international initiatives on drugs. The United States and Mongolia have in force a customs mutual legal assistance agreement.

Drug Flow/Transit. While drug use is not widespread, marijuana, the most commonly used illegal drug, grows wild in various parts of the country. Police said a growing number of Mongolians and foreign residents were collecting and smoking cannabis; however, there were no reliable surveys on drug use. Cocaine, amphetamines, heroin and abused over-the-counter drugs were less common and less available than cannabis. Hashish is smuggled into Mongolia from China in small quantities. During the first ten months of 2007, Mongolian law enforcement uncovered eight cases of drug possession/trafficking, yielding 5 kg of cannabis, 60 grams of hashish, and an unidentified amount of psychotropic drugs. Seventeen people were investigated in connection with these cases: 13 Mongolians, three Russians and one Briton. As of November 5, none had been convicted. No illegal drug lab was identified in Mongolia during the year. The Mongolian Government is alert to precursor chemical trade and the potential for diversion.

Demand Reduction. Domestic, non-governmental organizations work to fight drug addiction, including glue sniffing by street children. International donors are working with the government to help Mongolia develop the capacity to address narcotics and related criminal activities before they become an additional burden on Mongolia's development.

IV. U.S. Policy Initiatives and Programs

Bilateral Cooperation. U.S. Government assistance has included international visitor programs on transnational crime and counternarcotics, as well as some training by U.S. law-enforcement agencies.

The Road Ahead. The United States will continue to cooperate closely with Mongolia to assist Mongolia with the implementation of its counternarcotics policies, including border protection, the Anti-Corruption Agency, and per the request of Mongolian law enforcement, training and assistance for Mongolian police.

North Korea

I. Summary

Drug trafficking with a connection to the Democratic People's Republic of (North) Korea (DPRK) appears to be down sharply and there have been no instances of drug trafficking suggestive of state-directed trafficking for five years. Small-scale trafficking along the DPRK-China border continues, but as time passes since the last incident of large-scale trafficking involving the use of DPRK state assets and personnel, it certainly seems possible that the DPRK has curtailed trafficking in narcotic drugs. However, there is insufficient evidence to say for certain that state-sponsored trafficking has stopped at this time. The DPRK became a party in March 2007 to the 1988 UN Drug Convention.

II. Status of Country

There were no confirmed instances of large-scale drug trafficking involving the DPRK or its nationals during 2007. Anecdotal evidence suggests that small-scale trafficking and drug abuse in the DPRK itself and along its border with China continue. The China-DPRK border region is the only area in the world where there are continuing reports of drug trafficking involving DPRK nationals. Most reports indicate small-scale trafficking by individual North Koreans who cross the border into China. In some cases there are reports of slightly larger-scale trafficking by locally prominent individuals living along the border who misuse their modest positions of local influence in the ruling party to traffic in methamphetamine. Also, there are indications that some foreign nationals from Japan and South Korea might travel to this area to purchase the stimulant drugs available there.

III. Country Actions Against Drugs in 2007

Law Enforcement Efforts. Most of the reports about drug trafficking along the China-DPRK border emerge only after the individuals involved are apprehended. There is no evidence of a central role for DPRK state institutions in organizing the trafficking, as had emerged regularly in the past, especially in Japan during the mid- to late nineties, and continuing until the 2003 incident in Australia involving the "Pong Su," a DPRK cargo vessel involved with the delivery and seizure of a large quantity of heroin. In fact, it appears that both China and the DPRK try to discourage such trafficking through law enforcement efforts and information campaigns on both sides of the border. An atmosphere of lawlessness, however, remains along this border as individuals who wish to leave the DPRK can apparently do so through payments to guides or so-called "snakeheads," while, at the same time, other DPRK goods, such as copper wire, are smuggled into China for profit.

There also continues to be press, industry and law enforcement reporting of DPRK links to large-scale counterfeit cigarette trafficking in the North Korean Export Processing Zone at Rajiin (or Najin). It is unclear the extent to which DPRK authorities are complicit in this illegal activity, although it is all but certain that they are aware of it, given the relatively high-profile media reports. The fact that it is continuing suggests that DPRK authorities have been unwilling to take enforcement steps to counter it. Furthermore, such an example of non-narcotics-related acts of criminality suggests that DPRK-tolerance of criminal behavior may exist on a larger, organized scale, even if no large-scale narcotics trafficking incidents involving the state itself have come to light.

Agreements and Treaties. In 2007, the DPRK became a party to the 1988 UN Drug Convention. The DPRK also became a party to the 1961 UN Single Convention and the 1971 UN Convention on Psychotropic Substances.

Cultivation/Production. At an international meeting on illicit drug issues in Vienna in March 2007, Japanese police authorities stated that they were able to link through chemical analysis methamphetamine seized in Japan in the mid-to-late nineties with pharmaceutical factories in North Korea. They also said that methamphetamine drugs, which had been seized recently in Japan, but had been viewed as Chinese in origin, were “very similar” in their chemical properties to the aforementioned methamphetamine seized in the nineties and linked to the DPRK. The Japanese authorities explained that Japanese companies built and operated three North Korean chemical factories in the period just before and during the Second World War. Since the same factories still remain in operation in North Korea, Japanese officials are, therefore, in a unique position to comment on the chemical properties of the drugs produced at these factories, thought to be the source of the illicit stimulants. These comments by Japanese police link North Korea more closely to past drug trafficking activity, and also suggest that some drug smuggling to Japan from DPRK may be continuing, with the drugs possibly camouflaged as Chinese in origin.

Nevertheless, as time continues to pass since the last seizure of drugs anywhere in the world having a clear link to a DPRK state entity—it is now almost five years since such a seizure has come to light—the question naturally arises as to whether the DPRK has abandoned its involvement in drug trafficking. There is no clear answer to this question. The Department has no evidence to support a finding that state trafficking has stopped, and no clear evidence it is continuing. But the absence of any seizures linked to DPRK state institutions, after a period in which such seizures involving very large quantities of drugs occurred regularly, does suggest, at least, considerably less state trafficking, and perhaps a complete end to it.

On the other hand, the continuing large-scale traffic in counterfeit cigarettes from DPRK territory suggests, at the least, that enforcement against notorious organized criminality is lax, or that a lucrative counterfeit cigarette trade has replaced a riskier drug trafficking business as a generator of revenue for the DPRK state.

IV. U.S. Initiatives and Programs

The Department is of the view that it is likely, but not certain, that the North Korean government has sponsored criminal activities in the past, including narcotics production and trafficking, but notes that there has been no evidence for almost five years that it continues to traffic in narcotics.

The Philippines

I. Summary

The Government of the Philippines (GRP) attributes a reported decline in the number of users of illicit drugs to continued joint efforts of the Philippine law enforcement authorities in disrupting major drug trafficking organizations and in dismantling clandestine drug laboratories and warehouses. The Dangerous Drugs Board (DDB) reports that in 2007, there was a significant increase in seizures of clandestine labs, while the number of drug abusers reportedly declined. The Philippine government continues to build the capacity of the Philippine Drug Enforcement Agency (PDEA), which was established by the GRP in 2002; the PDEA Academy graduated its first 55 agents in February 2007. Based on 2007 seizures, the Philippines continues to be a producer of methamphetamine. There is some evidence that terrorist organizations may use drug trafficking to fund their activities. The Philippines is a party to the 1988 UN Drug Convention.

II. Status Of Country

According to the DDB, in the Office of the President, there has been a continuous decline in the number of drug users and a downward trend in the number of drug-related arrests in the Philippines. The most recent DDB survey (2007) reported that there are approximately 3.4 million regular and occasional drug users, compared with 6.7 million in 2004, the last year the survey was conducted. Methamphetamine, locally known as “shabu,” is the primary drug of choice in the Philippines. However, the significant number of seizures of clandestine laboratories has resulted in the continuous decline of supply of methamphetamine. The DDB reports that the current price of methamphetamine has escalated from 2,000 pesos per gram in 2006 to 5,000 pesos in 2007, although according to the PDEA, the price varies from 3,000 pesos on the streets of Manila to 5,000 pesos in outlying provinces. In quantities of 10 grams or more, the price can be as low as 2,500 pesos per gram.

Methamphetamine is clandestinely manufactured in the Philippines. Precursor chemicals are smuggled into the Philippines, or illegally diverted after legal importation, from the People’s Republic of China (PRC), including Hong Kong. Ephedrine has also been smuggled from India, although there have been no seizures since 2005. In 2007, there were 220 local drug trafficking groups identified, compared with 105 in 2006. According to the DDB, there were eight known transnational drug organizations operating in the country in 2007, compared with seven in 2006. Each group includes at least five major foreign drug lords from the PRC and Taiwan. Muslim separatist groups participate in the distribution of methamphetamine in the Philippines, particularly in the southern section of the country. The Abu Sayyaf Group (ASG) along with elements of the Moro Islamic Liberation Front (MILF) are also directly involved in smuggling, as well as protection of methamphetamine production and its transportation to other parts of the country and across southeast Asia. The Philippines is a source of methamphetamine exported to Australia, Canada, Japan, South Korea, and the U.S. (particularly Guam and Saipan).

Dealers sell methamphetamine hydrochloride in crystal form for smoking (shabu). No production or distribution of methamphetamine in tablet form (“yaba”) has been reported in the Philippines. Producers typically make methamphetamine in clandestine labs through a hydrogenation process that uses palladium and hydrogen gas to refine chlor-ephedrine mixture into crystal form. Another production method involves the use of red phosphorous.

The Philippines produces, consumes, and exports marijuana. Cultivation of marijuana is in mountainous, often government-owned, areas inaccessible to vehicles. Marijuana has gained popularity because of the price increase of methamphetamine. Although Philippine law

enforcement officials have conducted numerous eradication operations, the lack of fuel for military and police helicopters makes it difficult for the Philippine government to keep up with rapid marijuana re-cultivation. The New People's Army (NPA) insurgent group control and protect most marijuana plantation sites. Most of the marijuana produced in the Philippines is for local consumption, with the remainder smuggled to Korea, Japan, Malaysia, and Taiwan.

Methylenedioxy-methamphetamine (MDMA) Ecstasy is gaining popularity among young expatriates and affluent members of Philippine society. Although there was no significant increase in seizures during 2007, there is a reported MDMA smuggling organization operating in Mindanao, in the southern region of the country. PDEA reports an increase in the number of dealers operating in the Manila metropolitan area.

According to the DDB, while there are no reports of Ketamine abuse in the country, intelligence indicates the presence of transnational drug groups that utilize the country as a venue for the production of Ketamine powder for export to other countries.

III. Country Actions Against Drugs In 2007

Policy Initiatives. The administration of President Gloria Macapagal Arroyo has pledged to continue to concentrate on the full and sustained implementation of counternarcotics legislation and the PDEA as the lead counternarcotics agency. In 2002, President Arroyo created by executive order the Philippine National Police (PNP) Anti-Illegal Drugs Special Operations Task Force (AIDSOTF) to maintain law enforcement pressure on narcotics trafficking while PDEA became fully functional by 2007. In 2006, PDEA began training its first new agent academy class, which provided approximately 55 new newly trained PDEA agents in February 2007. A second class of 200 new agents began training in November 2007; U.S. DEA agents from Manila support PDEA's training goals by serving as adjunct instructors in the new agent courses and in-service classes for existing PDEA personnel.

In mid-2007, the Secretary of the Department of Interior and Local Government ordered the then-Chief of PNP to recall over 600 officers who were seconded to PDEA. Only a small number of PNP officers were allowed to remain in PDEA temporarily, primarily in the headquarters unit and special teams, drastically reducing PDEA's investigative capability in many provinces. For example, there is now only one PDEA agent in Region I (Ilocos Norte, Ilocos Sur, La Union provinces), the primary area for export of marijuana.

The GRP has developed and is implementing a counternarcotics master plan known as the National Anti-Drug Strategy (NADS). The NADS is executed by the National Anti-Drug Program of Action (NADPA) and contains provisions for counternarcotics law enforcement, drug treatment and prevention, and internal cooperation in counternarcotics, all of which are objectives of the 1988 UN Drug Convention. In 2007, cities, towns, and barangays (neighborhoods) continued to utilize counternarcotics law enforcement councils, as mandated by NADPA, to conduct community awareness programs, such as rallies, seminars, and youth activities.

The GRP has institutionalized a drug-testing program (urinalysis) for law enforcement personnel, students, drivers, firearms owners, and workers. Additionally, the GRP has promulgated a national drug-free workplace program, which provides for random drug testing of employees, and assistance for employees who admit to having a drug problem.

Law Enforcement Efforts. Counternarcotics law enforcement remains a high priority of the GRP. Lack of resources continues to hinder operations, but law enforcement efforts are relatively effective, given low funding levels. PDEA officials believe ILEA and JIATF-West training for law enforcement and military personnel have helped make interdiction operations more efficient and effective. GRP law enforcement agencies continued to target major traffickers and clandestine drug

labs in 2007. Significant successes included the seizures of a number of clandestine laboratories and warehouses.

PDEA reports that in 2007, authorities seized 368.82 kilograms of methamphetamine, which they valued at \$44.978 million (at PHP5,000 per gram and PhP41/\$1), 31.72 kilograms of Ketamine, which they valued at \$12,222,848.17 million (at \$100 per gram), 1,204 kilograms of processed marijuana leaves and buds, which they valued at \$734,472 (at \$0.50 per gram), and 2.528 million plants (including seedlings), which they valued at \$11.66 million (at \$4.60 each). Philippine authorities claimed to have seized total narcotics worth approximately \$58,343,301, arrested 10,293 people for drug related offenses, and filed 3,359 criminal cases for drug crimes in 2007. By comparison, 8,616 individuals were arrested in 2006 and 9,040 cases were filed in court in 2007. Out of 13,667 drug cases filed from 2003 to 2007, only 4,790 led to convictions (most of which were cases of simple possession). The rest were either acquitted or dismissed. PRC and Taiwan-based traffickers remain the most influential foreign groups operating in the Philippines. In September 2007, the PNP recovered 246 kilograms of high-grade “shabu” from an overturned vehicle on the South Luzon Expressway, south of Manila; PNP estimated the potential street price of the methamphetamine to be P1.23 billion (\$ 27.33 million).

The Philippine authorities dismantled nine clandestine methamphetamine mega-laboratories and 13 warehouses in 2007. GRP law enforcement officials cite three factors behind the existence of domestic labs: a. The simplicity of the process in which ephedrine can be converted into methamphetamine on a near one-to-one conversion ratio; b. The crackdown on drug production facilities in other methamphetamine-producing countries in the region; and c. The relative ease, increased profit, and lesser danger of importing precursor chemicals for methamphetamine production (ephedrine/pseudo-ephedrine), compared to importing the finished product.

Along with a nearly 80 percent loss of its investigative manpower in July 2007, the lack of a functioning laboratory remains a significant operational weakness for PDEA, as in previous years. Dismissals and resignations in early 2007 have also decreased the number of experienced staff at the laboratory. In addition, the lab lacks basic equipment. The Japanese International Cooperation Agency donated a sophisticated gas chromatograph mass spectrometer scanner to PDEA in 2006, but the capacity of the PDEA lab has not been fully developed; many exhibits are analyzed at the PNP crime laboratories, particularly in the provinces. In addition, the lack of a functioning lab means there is no adequate storage facility for evidence; currently, PDEA stores seized drugs and chemicals (some highly toxic) in shipping containers in the headquarters parking lot. PDEA recently selected an experienced, fully qualified forensic chemist to take over operations and develop standard operating procedures; this was the first vital step in creating a credible, functional laboratory service.

Pervasive problems in law enforcement and criminal justice system such as corruption, low morale, inadequate resources and salaries, and lack of cooperation between police and prosecutors also hamper drug prosecutions. The slow process of prosecuting cases not only demoralizes law enforcement personnel but also permits drug dealers to continue their drug business while awaiting court dates. GRP statistics in 2007 showed only a 35 percent conviction rate in drug cases; the leading cause for dismissal of cases is the non-appearance of prosecution witnesses, including police officers. By the time a case gets to trial, witnesses have often disappeared, or been persuaded through extortion or bribery to change their testimony.

In 2003, the President created the Anti-Illegal Drugs Special Operation Task Force within the Philippine National Police, and the Anti-Illegal Drugs Task Force within the National Bureau of Investigation to permit those agencies to support PDEA’s counternarcotics efforts. These task forces have proven to be highly effective, having conducted several of the most significant seizures and arrests. They require an annual Memorandum of Agreement with PDEA to remain in

compliance with the law. The 2008 agreement is stalled, however, thus jeopardizing on-going investigations and GRP counternarcotics goals.

The Comprehensive Dangerous Drug Act prohibits plea-bargaining in exchange for testimony once a suspect has been charged; this concept conflicts with standard practices in the U.S. and other Western countries. There is no incentive for a defendant to plead guilty and offer testimony against superiors in the drug trafficking organization, so investigations in the Philippines generally end with the first arrests. Often, runners and street dealers are the only ones charged, and they have no motive to give up their sources and patrons. This is a significant weakness in the Comprehensive Dangerous Drug Act.

Current Philippine laws regarding electronic surveillance and bank secrecy prevent Philippine enforcement agencies from using electronic surveillance techniques, and restrict access to bank information of suspected drug traffickers. The 1965 Anti-Wiretapping Act prohibits the use of wiretapping, as well as consensual monitoring of conversations and interrogations, as evidence in court. Additionally, there are no provisions to seal court records to protect confidential sources and methods. Hence, most drug arrests result from information from disgruntled drug trafficking insiders who voluntarily give leads to the Philippine authorities.

The terrorist Abu Sayyaf Group (ASG) and New People's Army (NPA) are directly linked to drug trafficking activity. PNP officials believe elements of the ASG are engaged in providing security for marijuana cultivation, protection for drug trafficking organization (DTO) operations, and local drug distribution operations, particularly in Jolo and Tawi-Tawi. Philippine police and military officials report that the ASG continues to provide protection for major drug trafficking groups operating in the Sulu Archipelago as well as local drug trafficking activity, in exchange for cash payments that help fund their own operations; many ASG members are drug users themselves. Likewise, NPA cadres throughout the country earn money to feed their members by providing protection to drug traffickers and marijuana cultivators.

Additionally, corruption and inefficiency in the judicial process encourage foreign traffickers to establish their clandestine laboratories in the Philippines vice other countries in Asia. They are less likely to be caught, particularly since their communications cannot be intercepted, and if they are arrested, they are unlikely to be convicted.

Corruption. Corruption among the police, judiciary, and elected officials continues to be a significant impediment to Philippine law enforcement efforts. The GRP has criminalized public corruption in narcotic law enforcement through the Comprehensive Dangerous Drug Act (CDDA), which clearly prohibits GRP officials from laundering proceeds of illegal drug actions. Four PDEA employees were arrested in 2006 for the theft of seven kilograms of seized methamphetamine from PDEA headquarters. These personnel have been detained and charges are still pending against them. Ten PDEA and PNP AIDSOTF officers were arrested in October 2006 for conducting illegal raids, and for kidnapping the subjects of those raids. Both the PNP and PDEA have divisions for internal policing, for corruption, and other violations of policy and law. There are strong indications that drug money is funding illicit aspects of provincial and local political campaigns, such as vote buying, bribery of election officials, ballot theft, and voter intimidation.

As a matter of government policy, the Philippines does not encourage or facilitate illicit production or distribution of narcotic or psychotropic drug or other controlled substances, or the laundering of proceeds from illegal drug transactions. No known senior official of the GRP engages in, encourages, or facilitates the illicit production or distribution of narcotic or psychotropic drugs or other controlled substances, or the laundering of proceeds from illegal drug transactions. However, a city mayor from Quezon province was convicted in 2007 on charges from a 2001 drug trafficking investigation, and is now serving a term of life imprisonment. Numerous other active and former

politicians and officials, some of them senior, have been implicated in drug trafficking and money laundering, but have yet to be charged.

Agreements and Treaties. The Philippines is a party to the 1988 UN Drug Convention, as well as to the 1971 UN Convention on Psychotropic Substances, the 1961 UN Single Convention on Narcotic Drugs, and the 1972 Protocol Amending the Single Convention. The Philippines is a party to the UN Convention against Transnational Organized Crime and its protocols against trafficking in persons and smuggling of migrants. The U.S. and the GRP continue to cooperate in law enforcement matters through a bilateral extradition treaty and Mutual Legal Assistance Treaty. The Philippines has signed the UN Convention Against Corruption.

Cultivation/Production. DDB reports that there are at least 60 marijuana cultivation sites spread throughout the mountainous areas of nine regions of the Philippines, compared with PDEA's estimate of 120 sites in 2006. Using manual techniques to eradicate marijuana, various government entities claim to have successfully uprooted and destroyed 2.536 million plants and seedlings in 2007, compared with 2.713 million plants and seedlings in 2006.

Drug Flow/Transit. The Philippines is a narcotics source and transshipment country. Illegal drugs and precursor chemicals enter and leave the country through seaports, economic zones, and airports. The Philippines has 7,000 islands and over 36,200 kilometers of coastline. Vast stretches of the Philippine coast are virtually unpatrolled and sparsely inhabited. Traffickers often use shipping containers, fishing boats, and cargo vessels (which off-load to smaller craft) to transport multi-hundred kilogram quantities of methamphetamine and precursor chemicals. AFP and law enforcement marine interdiction efforts are made ineffective by a lack of intelligence sharing and basic resources such as fuel for patrol vessels. Commercial air carriers and express mail services remain the primary means of shipment to Guam, Hawaii, and to the mainland U.S., with a typical shipment size of one to four kilograms. One unique case involved female airline passengers carrying methamphetamine to Guam, Hawaii, and California on their person. There has been no notable increase or decrease in transshipment activities in 2007.

Domestic Programs and Demand Reduction. The Comprehensive Dangerous Drug Act of 2002 includes provisions that mandate drug abuse education in schools, the establishment of provincial drug education centers, development of drug-free workplace programs, the implementation of random drug testing for secondary and tertiary students; mandatory drug testing for military and law enforcement personnel, and driver's license and firearm license applicants; and other demand-reduction classes. Abusers who voluntarily enroll in treatment and rehabilitation centers are exempt from prosecution for illegal drug use. The southern Philippines enjoys a robust, though underfunded Drug Abuse Resistance Education (DARE) program in both public and private elementary schools. For instance, in the conflicted southern Mindanao region, which suffers from a high rate of methamphetamine abuse, the DARE program promotes healthy behavior in children and positive police-community relations.

IV. U.S. Policy Initiatives And Programs

U.S. Policy Initiatives. The USG's main counternarcotics assistance goals in the Philippines are to: a. Work with local counterparts to provide an effective response to counter the still-growing clandestine production of methamphetamine; b. Cooperate with local authorities to prevent the Philippines from becoming a source country for drug trafficking organizations targeting the United States market; c. Promote the development of PDEA as the focus for effective counternarcotics enforcement in the Philippines; and d. Provide ILEA, JIATF-West, and other drug-related training for law enforcement and military personnel.

Bilateral Cooperation. The U.S. assists the Philippine counternarcotics efforts with training, intelligence gathering and fusion (coordination centers), and infrastructure development.

In July 2005, the DEA Manila Country Office and Joint Inter-Agency Task Force-West (JIATF-W) began to develop a network of drug information fusion centers in the Philippines. The primary facility, the Maritime Drug Enforcement Coordination Center (MDECC) is located at PDEA Headquarters in Quezon City. There are three satellite centers, called Maritime Information Coordination Centers (MICCs), located at the headquarters of the Naval Forces Western Mindanao, Zamboanga del Sur (southwestern Mindanao), Coast Guard Station General Santos City (south-central Mindanao), and at Poro Point, San Fernando, La Union (northwestern Luzon). These centers are intended to serve as regional collection points for information about drug smuggling and other maritime security issues, and provide actionable target information that law enforcement agencies can use to investigate, interdict, and prosecute criminal organizations. In February 2006, a draft executive order was submitted to the Office of the President for signature, requiring all Philippine government agencies involved in maritime security and counternarcotics operations to comply with an earlier Memorandum of Agreement and partner in the Maritime Drug Enforcement Coordination Center (MDECC) project; the Philippine Drug Enforcement Agency, Philippine Coast Guard, and National Intelligence Coordinating Agency have voluntarily assigned representatives to the MDECC, but the Armed Forces of the Philippines (particularly Philippine Navy) await the executive order.

The Road Ahead. The USG plans to continue work with the GRP to promote law-enforcement institution building and encourage anti-corruption mechanisms via JIATF-West programs, as well as ongoing programs funded by the Department of State (INL and S/CT, and USAID). Strengthening the bilateral counternarcotics relationship serves the national interests of both the U.S. and the Philippines.

Singapore

I. Summary

The Government of Singapore (GOS) enforces stringent counternarcotics policies through strict laws, including the death penalty and corporal punishment, vigorous law enforcement, and active prevention programs. Singapore is not a producer of precursor chemicals or narcotics, but as a major regional financial and transportation center, it is potentially an attractive target for money launderers and those engaged in drug transshipment. Singapore is widely recognized as one of the least corrupt countries in the world. Corruption cases involving Singapore's counternarcotics and law enforcement agencies are rare, and their officers regularly attend U.S.-sponsored training programs as well as regional forums on drug control. Singapore is a party to the 1988 UN Drug Convention.

II. Status of Country

In 2006, there was no known production of illicit narcotics or precursor chemicals in Singapore. While Singapore itself is not a known transit point for illicit drugs or precursor chemicals, it is one of the busiest transshipment ports in the world. The sheer volume of cargo passing through makes it likely that some illicit shipments of drugs and chemicals move undetected. With few exceptions, Singapore does not screen containerized shipments unless they enter its customs territory. Neither Singapore Customs nor the Immigration and Checkpoint Authority (ICA) keep data on in-transit or transshipped cargo unless there is a Singapore consignee involved in the shipment.

According to GOS statistics, the number of drug abusers arrested in 2006 increased 34.8 percent to 1,218, up from 793 in 2005. The change in part reflects additional enforcement actions related to amendments made to the Misuse of Drugs Act enacted in August 2006. The number of first-time offenders in Singapore increased slightly in 2006, with 477 arrests compared to 463 in 2005. Nearly half (49 percent) of drug abusers used synthetic drugs, including Ketamine, Methamphetamine, MDMA (Ecstasy), Erimin-5, and Nimetazepam. Buprenorphine (Subutex) users accounted for 31 percent, and heroin offenders for 9.7 percent, of total drug abusers.

III. Country Actions Against Drugs in 2007

Policy Initiatives. Singapore continues to pursue a strategy of demand and supply reduction for drugs. The GOS has worked closely with numerous international groups dedicated to drug education, including the Partnership for a Drug-Free America. In addition to arresting drug traffickers, Singapore focuses on arresting and detaining drug abusers for treatment and rehabilitation, providing drug detoxification and rehabilitation, and offering vigorous drug education in its schools. Singaporeans and permanent residents are subject to random drug tests. The Misuse of Drugs Act gives the Singapore Central Narcotics Bureau (CNB) the authority to commit all drug abusers to rehabilitation centers for mandatory treatment and rehabilitation. Since 1999, individuals testing positive for consumption of narcotics have been held accountable for narcotics consumed abroad as well as in Singapore.

Singapore has continued efforts to curb synthetic drug abuse, of which Ketamine is the most prevalent. Amendments made to the Misuse of Drugs Act in 2006 designated Ketamine as a Class A Controlled Drug and increased penalties for trafficking accordingly. Anyone in possession of more than 113g of Ketamine is presumed to be trafficking in the drug and can face maximum penalties of 20 years imprisonment and 15 strokes of the cane.

Amendments to the Misuse of Drugs Act also established long-term imprisonment penalties for repeat synthetic drug abusers. Those arrested for a third time are subject to five to seven years imprisonment and three to six strokes of the cane; and seven to 13 years imprisonment and six to 12 strokes of the cane for subsequent offenses. Singapore's long-term imprisonment regime, first introduced in 1998, is thought to have helped curb the country's heroin use.

Additional amendments to the Misuse of Drugs Act classified Buprenorphine, the active ingredient in Subutex, as a Class A Controlled Drug. This means that, unless dispensed by a licensed physician or practitioner, the importation, distribution, possession and consumption of Subutex is a felony offense. Subutex, first introduced by the Ministry of Health in 2000, is a heroin substitute clinically used in the detoxification/rehabilitation of heroin addicts. Drug abusers were found to be abusing Subutex by mixing it with other drugs, mainly Dormicum, a prescription sleeping pill. Buprenorphine was the most commonly abused drug in Singapore in 2006, comprising more than one-third of total narcotics offenders.

Law Enforcement Efforts. Arrests for drug-related offenses increased 34.8 percent, from 793 arrests in 2005 to 1218 arrests in 2006, a reflection of new enforcement measures under the amended Misuse of Drugs Act. These statistics include persons arrested for trafficking offenses, possession, and consumption. Nearly 46 percent of all drug arrests involved synthetic drugs, including Nimetazepam (14.9 percent); Ketamine (15.3 percent); Methamphetamine (10.2 percent); and MDMA or Ecstasy (5.5 percent). Non-synthetic drug-related arrests included marijuana (10 percent) and heroin (9.7 percent). Singapore recorded no cocaine-related seizures or arrests in 2006. Of the total arrests, 477 involved new drug abusers.

In 2006, authorities executed 52 major operations, during which they dismantled 25 drug syndicates. A majority of these arrests were conducted during sweeps of drug distribution groups, which were infiltrated by undercover Singapore narcotics officers. CNB officers frequently perform undercover work, purchasing small, personal-use amounts of narcotics from generally low and mid-level traffickers and drug abusers. These sweeps often produce additional arrests when subjects present at arrest scenes test positive for narcotics in their system.

Singapore's CNB seized the following quantities of narcotics in 2006: 6.1 kg of heroin; 14.9 kg of cannabis; 4,136 tablets of MDMA; 0.5 kg of crystal Methamphetamine; 22 tablets of tablet Methamphetamine; 5.3 kg of Ketamine; 38,230 Nimetazepam tablets; and 6,432 Buprenorphine tablets.

Corruption. Singapore's Corruption Practices Bureau (CPB) actively investigates allegations of corruption at all levels of government. Neither the government nor any senior government officials is thought to engage in, encourage or facilitate the production or distribution of narcotics or other controlled substances, or the laundering of proceeds from illegal drug transactions. The CNB is charged with the enforcement of Singapore's counternarcotics laws. Its officers and other elements of the Singapore Police Force are well-trained professional investigators.

Agreements and Treaties. Singapore is a party to the 1988 UN Drug Convention, the 1961 UN Single Convention on Narcotic Drugs, as amended by the 1972 Protocol, and the 1971 UN Convention on Psychotropic Substances. Singapore and the United States continue to cooperate in extradition matters under the 1931 U.S.-UK Extradition Treaty. Singapore and the United States signed a Drug Designation Agreement (DDA) in November 2000, a mutual assistance agreement limited to drug cases. Singapore has signed mutual legal assistance agreements with Hong Kong and ASEAN. Singapore has signed, but has not yet ratified, the UN Convention against Transnational Organized Crime and the UN Corruption Convention. In April 2006, Singapore amended domestic legislation to allow for mutual legal assistance cooperation with countries for which they do not have a bilateral treaty.

Cultivation/Production. There was no known cultivation or production of narcotics in Singapore in 2007.

Drug Flow/Transit. Singapore is one of the busiest seaports in the world. Approximately 80 percent of the goods flowing through its port are in transit or are transshipped and do not enter Singapore's customs area. Due to the extraordinary volume of cargo shipped through the port, it is highly likely that some of it contains illicit materials, although Singapore is not a known transit point for illicit drugs or precursor chemicals. Singapore does not require shipping lines to submit data on the declared contents of transshipment or transit cargo unless there is a Singapore consignee to the transaction. The lack of such information creates enforcement challenges. Singapore Customs authorities rely on intelligence to uncover and interdict illegal shipments. They reported no seizures of transshipment or transit cargoes involving illicit narcotics shipments in 2006. GOS officials have been reluctant to impose tighter reporting or inspection requirements at the port, citing concerns that inspections could interfere with the free flow of goods, thus jeopardizing Singapore's position as the region's primary transshipment port.

However, Singapore has increased its scrutiny of goods, primarily as part of an enhanced posture to combat terrorism and control the proliferation of weapons of mass destruction (WMD) and their precursors. Singapore became the first Asian port to join the Container Security Initiative (CSI) in 2003, under which U.S. Customs personnel prescreen U.S.-bound cargo. Singapore also participates in other counterterrorism-related programs such as the Proliferation Security Initiative, the Megaports Initiative, and the Secure Freight Initiative. The country's new export control law went into effect in 2003, and it is implementing an expanded strategic goods control list that takes effect in January 2008. While these initiatives aim to prevent WMD from entering the United States, the increased scrutiny and information they generate could also aid drug interdiction efforts.

Singapore is a major regional aviation hub. Changi International Airport handled 35 million passengers in 2006. The Changi Airfreight Center is one of the world's busiest and operates as a Free Trade Zone where companies can move, consolidate, store or repack cargo without the need for documentation or customs duties. CNB seized narcotics at Changi Airport in 2006, including a 20-kilogram shipment of marijuana smuggled from Johannesburg, South Africa.

Domestic Programs (Demand Reduction). Singapore uses a combination of punishment and rehabilitation of first-time drug offenders. Rehabilitation of drug abusers typically occurs during incarceration. The government may detain addicts for rehabilitation for up to three years. In an effort to discourage drug use during travel abroad, CNB officers may require urinalysis tests for Singapore citizens and permanent residents returning from outside the country. Those who test positive are treated as if they had consumed the illegal drug in Singapore.

Adopting the theme, "Prevention: The Best Remedy," Singapore authorities organize sporting events, concerts, plays, and other activities to reach out to all segments of society on drug prevention. Drug treatment centers, halfway houses, and job placement programs exist to help addicts reintegrate into society. At the same time, the GOS has toughened anti-recidivist laws. Three-time offenders face long mandatory sentences and caning. Depending on the quantity of drugs involved, convicted drug traffickers may be subject to the death penalty, regardless of nationality.

IV. U.S. Policy Initiatives and Programs

Bilateral Cooperation. The United States and Singapore enjoy good law enforcement cooperation, in particular under the Drug Designation Agreement, which provides a basis for sharing the forfeited proceeds of crime in joint investigations. In 2006, approximately 45 GOS law enforcement officials attended training courses at the International Law Enforcement Academy (ILEA) in Bangkok on a variety of transnational crime topics. The GOS has cooperated with the

United States and other countries in the forfeiture of drug-related proceeds discovered in Singapore banks, including the equitable sharing of seized and forfeited drug-related funds with the United States.

The Road Ahead. The United States will continue to work closely with Singapore authorities on all narcotics trafficking and related matters. Increased customs cooperation under CSI and other initiatives will help further strengthen law enforcement cooperation.

South Korea

I. Summary

Narcotics production and abuse is not a major problem in the Republic of Korea (ROK). However, reports continue to indicate that an undetermined quantity of narcotics is smuggled through South Korea en route to the United States and other countries. South Korea has become a transshipment location for drug traffickers due to the country's reputation for not having a drug abuse problem. This combined with the fact that the South Korean port of Pusan, which is one of the region's largest ports, makes South Korea an attractive location for illegal shipments coming from countries, which are more likely to attract a contraband inspection upon arrival. The ROK is a party to the 1988 UN Drug Convention.

II. Status of Country

Drugs available in the ROK include methamphetamine, heroin, cocaine, marijuana, and club drugs such as LSD and Ecstasy. Methamphetamine continues to be the most widely abused drug, while marijuana remains popular as well. Heroin and cocaine are only sporadically seen in the ROK. Club drugs such as Ecstasy and LSD continue to be popular among college students. In early 2007, ROK authorities discovered a mobile clandestine lab in South Korea that two individuals had been using to produce small amounts of methamphetamine from legally-obtained cold medicines. In response, the South Korean government implemented stricter controls on the purchase of over-the-counter medicines containing ephedrine and pseudoephedrine, requiring customer registration for quantities greater than 720 mg (a three-day standard dose).

III. Country Actions Against Drugs 2007

Policy Initiatives. In 2007, the Korean Food and Drug Administration (KFDA) continued to implement stronger precursor chemical controls under amended legislation approved in 2005. The KFDA continued its efforts to educate companies and train its regulatory investigators on the enhanced regulations and procedures for monitoring the precursor chemical program. The KFDA also implemented in 2007 new regulatory oversight procedures to track and address diversion of narcotics and psychotropic substances from medical facilities and emerging patterns of abuse in South Korea of additional substances, including gamma butyrolactone (GBL), psychotropic-containing appetite suppressants, and the veterinary anesthesia Ketamine.

Law Enforcement Efforts. In the first nine months of 2007, South Korean authorities arrested 878 persons for narcotics use, 6,041 persons for psychotropic substance use, and 591 persons for marijuana use. ROK authorities seized 18 kg of methamphetamine. Ecstasy seizures increased to 18,151 tablets from 319, approaching previous levels before 2004 (20,385 tablets). South Korean authorities seized 19.6 kg of marijuana.

Corruption. There were no reports of corruption involving narcotics law enforcement in the ROK in 2007. As a matter of government policy, the ROK does not encourage or facilitate illicit production or distribution of narcotic or psychotropic or other controlled substances, or the laundering of proceeds from illegal drug transactions.

Agreements and Treaties. South Korea has extradition treaties with 23 countries and mutual legal assistance treaties in force with 18 countries, including the United States. South Korea is a party to the 1988 UN Drug Convention, the 1971 UN Convention on Psychotropic Substances, and the 1961 UN Single Convention, as amended by its 1972 Protocol. South Korea has signed, but has not yet ratified, the UN Convention on Transnational Organized Crime and the UN Convention against

Corruption. Korean authorities exchange information with international counternarcotics agencies such as the United Nations Office on Drugs and Crime (UNODC) and the International Criminal Police Organization (INTERPOL), and have placed Korean National Police and/or Korea Customs Service attachés in Thailand, Japan, Hong Kong, China, and the United States.

Cultivation/Production. Legal marijuana and hemp growth is licensed by local Health Departments. The hemp is used to produce fiber for traditional hand-made ceremonial funeral clothing. Every year, each District Prosecutor's Office, in conjunction with local governments, conducts surveillance into suspected illicit marijuana growing areas during planting or harvesting time periods to limit possible illicit diversion. In the first six months of 2007, local authorities seized 274 marijuana plants, down significantly from 3,783 in the first nine months of 2006. Opium poppy production is illegal in South Korea, although poppy continues to be grown in Kyonggi Province where farmers have traditionally used the harvested plants as a folk medicine to treat sick pigs and cows. Opium is not normally processed from these plants for human consumption. Korean authorities continue surveillance of opium poppy-growing areas and seized 13,927 poppy plants in the first six months of 2007.

Drug Flow/Transit. Few narcotic drugs originate in South Korea. The exportation of narcotic substances is illegal under South Korean law, and none are known to be exported. However, the ROK does produce and export the precursor chemicals acetone, toluene, and sulfuric acid. Transshipment through South Korea's ports remains a serious problem. ROK authorities recognize South Korea's vulnerability as a transshipment nexus and have undertaken greater efforts to educate shipping companies of the risk. ROK authorities' ability to directly intercept the suspected transshipment of narcotics and precursor chemicals has been limited by the fact that the vast majority of the shipping containers never enter ROK territory. Nonetheless, the ROK continued its international cooperation efforts to monitor and investigate transshipment cases. In the previous year, ROK authorities and the Seoul DEA Country Office completed a modified controlled delivery of crystal methamphetamine, which was originally intended for transshipment through South Korea from China to Guam. These efforts resulted in the dismantling of an international crystal methamphetamine organization in the U.S. and South Korea. Redoubled efforts by the Korean Customs Service (KCS) have resulted in increased seizures of methamphetamine and marijuana (12.4 kg and 7.7 kg respectively in the first 6 months of 2007) transported by arriving passengers and through postal services at South Korea's ports of entry. Most methamphetamine smuggled into South Korea comes from China. A majority of the LSD and Ecstasy used in South Korea has been identified as coming from North America or Europe. People living in metropolitan areas are known to use marijuana originating in South Africa and Nigeria, whereas those living in rural areas appear to obtain their marijuana from locally produced crops. ROK authorities also report increased instances of marijuana use among the foreign population in South Korea in recent years. These reports coincide with increased law enforcement efforts targeting this segment of the population.

IV. U.S. Policy Initiatives and Programs

Policy Initiatives and Programs. The U.S. Embassy's Drug Enforcement Administration (DEA) and U.S. Immigration and Customs Enforcement (ICE) officials work closely with ROK narcotics law enforcement authorities, and the DEA considers this working relationship to be excellent.

Bilateral Cooperation. The DEA Seoul Country Office has focused efforts on international drug interdiction, seizures of funds and assets related to illicit narcotics trafficking, and the diversion of precursor chemicals in South Korea and in the Far East region. In 2007, the DEA Seoul Country Office organized, coordinated, and hosted a one-week training seminar on International Asset Forfeiture and Money Laundering Investigations. This training was co-hosted by the Korean Supreme Prosecutors Office (KSPO) with 50 prosecutors, investigators, and analysts from the

Korea Financial Intelligence Unit, KSPO, KCS, Korean National Intelligence Service (KNIS), and the Korean National Police Agency (KNPA) in attendance. The DEA Seoul Country Office continues to share intelligence regarding the importation of precursor chemicals into South Korea from the United States and other Asian countries with the KFDA, KCS, KSPO, and KNIS. DEA also works closely with the KSPO and KCS in their activities to monitor airport and drug transshipment methods and trends, including the use of international mail by drug traffickers.

The Road Ahead. ROK authorities have expressed concern that the popularity of South Korea as a transshipment nexus may lead to greater volume of drugs entering Korean markets. Korean authorities fear increased accessibility and lower prices could stimulate domestic drug use in the future. South Korean authorities also indicate a growing concern about the importation of narcotics, psychotropic drugs, and illegal medicines purchased via the internet, predominately from web sites maintained in the United States. In the first nine months of 2007, South Korean authorities intercepted 341 internet-based drug purchases. In response, Korean authorities established a Memorandum of Understanding with a number of Korean internet portal sites to allow the KNPA to track and intercept such purchases. The South Korean government is currently seeking further international cooperation to better navigate the legal complexities surrounding the prosecution of transnational cyber crimes. The DEA Seoul Country Office will continue its extensive training, mentoring, and operational cooperation with ROK authorities.

Taiwan

I. Summary

Domestic usage and seizures of psychotropic drugs like Ketamine and MDMA increased in Taiwan in 2007, but there is no evidence to suggest that Taiwan is reverting to a transit/transshipment point for drugs bound for the U.S. Taiwan Customs and counternarcotics agencies work closely with their DEA counterparts, guided by the Mutual Legal Assistance Agreement (MLAA) between the American Institute in Taiwan (AIT) and the Taipei Economic and Cultural Representative Office (TECRO) in the U.S. As part of the Drug Signature program, DEA received several samples of heroin and methamphetamine in 2007, demonstrating Taiwan's commitment to fully implement a 2004 provision that permits samples of narcotics seized in Taiwan to be provided to other law enforcement agencies for testing and analysis. Taiwan is not a member of the UN and therefore cannot be a party to the 1988 UN Drug Convention. Nevertheless, the Taiwan authorities have amended and passed legislation consistent with the goals and objectives of this Convention.

II. Status of Taiwan

Taiwan's role as a major transit/transshipment point for narcotics has diminished due to law enforcement efforts and the availability of alternate routes within southern China. Taiwan authorities continue to strengthen anti-narcotics efforts with enhanced airport interdiction, coast guard and customs inspections, surveillance and other investigative methods. Some drugs, however, continue to transit Taiwan enroute to Japan and the international market. The People's Republic of China (PRC), the Philippines, Thailand and Burma remain the primary sources of drugs smuggled into Taiwan. In 2007, Taiwan law enforcement and Customs agencies continued to seize drug shipments originating from Thailand and Burma as well as identifying heroin shipments seized in Thailand destined for the Taiwan market.

III. Actions Against Drugs In 2007

Policy Initiatives. Taiwan's Legislative Yuan (LY) again failed to enact any new counternarcotics legislation in 2007 due to protracted infighting between the two major political blocs in the LY. Legislation that would permit the use of confidential sources of information and enable undercover operations was not enacted during 2007, however, a continued effort is being made to encourage the LY to implement such legislation. A proposal aimed at establishing a unified drug enforcement agency modeled after the U.S. Drug Enforcement Administration (DEA) remains in the preliminary proposal stages. However, within the Executive Yuan (EY), an Anti-Drug Council was established to coordinate and approve an island-wide counternarcotics strategy.

In June 2007, the Taiwan Ministry of Justice hosted a National Drug Control Conference and International Drug Control Symposium. This event brought together experts from law enforcement, academia, and health care from several different countries. Representatives from the DEA Hong Kong Country Office and the DEA Bangkok Regional Office were invited and participated in this event.

Law Enforcement Efforts. In the absence of a single drug enforcement agency, the Ministry of Justice continues to lead Taiwan's counternarcotics efforts with respect to manpower, budgetary and legislative responsibilities. The Ministry of Justice Investigation Bureau (MJIB), the National Police Administration/Criminal Investigation Bureau (NPA/CIB) and Customs all contributed to counternarcotics efforts in 2007. MJIB, NPA/CIB, and Coast Guard Administration continue to cooperate on joint investigations and openly share information with their DEA counterparts.

In September 2007, Taiwan authorities, with less than a day's notice, detained a U.S. fugitive transiting Taiwan en route to Vietnam and deported him back to the United States to stand trial on a charge of conspiracy to manufacture and distribute marijuana.

In October 2007, a joint investigation involving MJIB, the DEA's Hong Kong and Singapore offices, and Indonesian authorities culminated in the seizure of a large-scale crystal methamphetamine clandestine laboratory in Batam, Indonesia. This successful multi-lateral investigation thwarted the production of thousands of kilograms of crystal methamphetamine, and led to the dismantling of this major trafficking syndicate that is believed to have had a significant impact on crystal methamphetamine distribution within the region. In 2007, MJIB representatives traveled to several East Asian countries seeking cooperation and exchanging intelligence with foreign narcotics agencies to take preemptive steps in tracking the sources of drugs in an effort to dismantle the organizations responsible for importing drugs into Taiwan. Furthermore, the NPA/CIB has stationed agents in other countries such as Thailand, Malaysia, and Indonesia to enhance international cooperation in the counternarcotics effort in the East Asian region.

From September 2006 through September 2007, Taiwan authorities seized 159.8 kilograms of heroin/cocaine, 699.2 kilograms of marijuana/MDMA/amphetamine, 1560.1 kilograms of Ketamine/nimetazepan, and 623.3 kilograms of ephedrine.

Corruption. There is no indication that the Taiwan authorities, as a matter of policy, either encourage or facilitate the illicit production or distribution of narcotics, psychotropic drugs or other controlled substances, nor launder proceeds from illegal drug transactions. No cases of official involvement in narcotics trafficking or the laundering of proceeds from illicit drug transactions were reported in 2007.

Agreements. In 1992, AIT and its counterpart, TECRO, signed a Memorandum of Understanding on Counternarcotics Cooperation in Criminal Prosecutions. In 2001, AIT and TECRO signed a Customs Mutual Legal Assistance Agreement. In March 2002, the AIT-TECRO Mutual Legal Assistance Agreement (MLAA) entered into force and remains the primary avenue for enforcement and other legal cooperation.

Drug Flow/Transit. Thailand and Burma remain the principal sources for heroin, but there is increasing evidence that heroin is also being smuggled into Taiwan from Cambodia and Vietnam. The PRC, Philippines, and Malaysia are seen as intermediary smuggling points for methamphetamine and psychotropic drugs, such as Ketamine and MDMA, destined for Taiwan. India is also emerging as a primary source for diverted pharmaceutical-grade liquid Ketamine which is typically converted to a powdered form and then smuggled into Taiwan and other international markets.

Fishing boats, cargo containers and couriers remain the primary means of smuggling these types of drugs into Taiwan. There have also been drug seizures at Taiwan's international airports. Most of the drugs smuggled into Taiwan appear to be for local consumption; the remainder is intended for further distribution to international markets, especially Japan. Figures issued by Taiwan's Department of Health indicate that heroin and methamphetamine use has remained relatively unchanged in 2007, but the use of psychotropic drugs like Ketamine and MDMA has increased. Seizures of both domestically-produced methamphetamine and methamphetamine that was imported from the PRC remained at the same levels in 2007.

Domestic Programs/Demand Reduction. The Ministry of Education and the Taiwan National Health Administration continue to forge partnerships with various civic and religious groups to raise awareness about the dangers of drug-use and educate the public about the availability of treatment programs.

IV. U.S. Policy Initiatives and Programs

Policy Initiatives. Working with the local authorities to prevent Taiwan from reverting to its earlier status as a major transit/transshipment point for U.S.-bound narcotics remains the primary goal of U.S. counternarcotics policy. Counternarcotics training and institution building have proven to be the cornerstones of this policy. In December 2006, the DEA and U.S. Customs and Border Protection conducted training for Taiwan Customs officers. The topics included information on regional drug trafficking trends, intelligence analysis, and concealment techniques. In March 2007, the DEA provided law enforcement tactical training to forty officers from MJIB. The training highlighted officer safety, operational planning, defensive tactics and weapon safety. In August 2007, the DEA also sponsored one NPA/CIB officer to attend a Clandestine Laboratory Training Seminar at the Justice Training Center in Quantico, Virginia.

Taiwan law enforcement and Customs agencies enjoy a close working relationship with the DEA and AIT's Regional Security Office. Agents from MJIB, NPA/CIB and the Coast Guard Administration all participated in joint investigations and shared intelligence with their DEA counterparts in 2007, resulting in several significant drug seizures and arrests in Taiwan and throughout the region.

Road Ahead. AIT and DEA anticipate building upon and enhancing what is already an excellent working relationship with Taiwan's counternarcotics agencies. The DEA has provided training in several areas that included an advanced narcotics in-service seminar, clandestine lab safety, tactical safety, and precursor chemicals training. As a result of those efforts, Taiwan counterparts have pursued an island-wide forensic clandestine laboratory response capability. In the coming year, the DEA is already planning to conduct an International Asset Forfeiture Seminar in Taipei and further plans to conduct additional drug enforcement training. This training will strengthen the investigative abilities of Taiwan's law enforcement agencies while, at the same time, promoting continued cooperation and information exchange in the counternarcotics effort. More intelligence exchange and jointly conducted investigations are anticipated for 2008. DEA will also continue to promote the Drug Signature Program to receive samples of drugs seized in Taiwan.

Thailand

I. Summary

Thailand is not a significant drug cultivation or drug production nation, but is now a net importer of drugs and also serves as a transshipment point. The trade and use of illicit drugs remains a serious problem for the Kingdom. The primary drugs of concern today in Thailand are amphetamine type stimulants (ATS), which although less widespread than a few years ago are still readily available across the country. “Club drugs” such as Ecstasy and cocaine are mainly used by some affluent Thai and foreign visitors, and are of continuing concern.

Trafficking of illicit drugs through the Kingdom poses a continuing challenge to Thai law enforcement agencies. When suppression succeeds in targeted border areas, smugglers promptly change their routes in response. Heroin and methamphetamine continue to move from Burma across Thailand’s northern border for domestic consumption as well as export to regional and international markets. Methamphetamine, and some heroin, moves into Thailand from Burma not only via well-established northern trafficking routes, but increasingly via Laos across the Mekong River where it is then smuggled into Thailand’s northeastern border provinces. Drugs also travel southbound through Laos into Cambodia where they then enter Thailand across the Thai-Cambodian border, as well as being trafficked directly through Laos to Vietnam and Cambodia for regional export. Some opium enters Thailand from Laos, and large quantities of marijuana are moved into/through Thailand from Laos, while smaller quantities are smuggled from Cambodia. Small amounts of marijuana are grown domestically, as well. Thailand is a party to the 1988 UN Drug Convention.

II. Status of Country

There is, effectively, no cultivation or production of opium, heroin, methamphetamine or other drugs in Thailand today although various regional and international drug trafficking networks use Thailand as a transit nation as well as a market for sale of drugs produced in Burma and elsewhere.

Use of low-dosage methamphetamine tablets produced in Burma of caffeine, filler, and methamphetamine—known locally as “ya ba” or “crazy medicine”—slightly decreased from 2006 although “ya-ba” remains Thailand’s most-commonly abused illicit drug. Recent emergence of crystal methamphetamine or “ice” production in the Shan State of Burma worries Thai authorities, who believe that its more intense addictive nature could cause an increasing impact on domestic Thai consumption.

Thailand has for some time been a net importer of opium. The small quantities that are likely produced in Thailand cannot support even the domestic needs in traditional opium smoking ethnic regions, much less refining into heroin. Nevertheless, small pockets of local opium cultivation continue, usually by ethnic highland peoples attempting to supplement their meager incomes or meet their own consumption needs. The region’s largest drug producer, the Burma-based United Wa State Army (UWSA), publicly pledged to eliminate opium poppy cultivation by the end of 2005, and appeared to reduce poppy cultivation, although it was not eliminated by their self-proclaimed target date. A long-term decline in opium production over recent years has been accompanied by increasing production of methamphetamine tablets in Burma. These two developments have had an impact on drug abuse and transit patterns in Thailand, with less opiate trafficking and abuse, but growing abuse of synthetic drugs.

Small markets remain active in Thailand for Ecstasy and cocaine. Ecstasy arrives in Thailand from a variety of sources including Cambodia, Malaysia, Burma, Europe and Canada. The cocaine

market in Thailand, like that of Ecstasy, is still primarily restricted to some affluent Thai and foreigners in large cities. Some of the cocaine that arrives in Thailand is for onward transit to regional countries such as China. While the cocaine market is still largely controlled by West African criminal organizations, South Americans have become engaged in Thailand and elsewhere in the region.

Marijuana is sold and consumed widely without much enforcement attention being paid to it, and a steady market continues to transit Thailand. It is still used by some as a flavoring ingredient in curries and noodle soup. In southern Thailand, the expanding use of Krathom is of concern to central government authorities, as chewing of the addictive leaf has become commonly accepted among many communities, which view it as an easy way to remain alert and ready for work. The Office of Narcotics Control Board (ONCB) reports that users also mix the Krathom plant leaf with cola drinks, cough syrup or tranquilizers to form a narcotic-laced drink. Krathom is reportedly popular due to its cheapness, difficulty to detect and broad acceptance by village society. Ketamine has become widely used throughout Asia by those seeking an alternative “high” without the same criminal liabilities as other controlled substances. It is found in both liquid and powder forms. Most Ketamine used in Thailand is produced in India. Besides being a veterinary tranquilizer, it has hallucinogenic side effects and is sometimes used in the party scene because it is cheaper and considered less dangerous than Ecstasy. Ketamine causes distorted perceptions of sight and sound and makes the user feel disconnected and out of control. The coordination and senses of Ketamine users are impaired for up to 24 hours while the hallucinogenic effects can last 90 minutes. Finally, although they are not always listed as a controlled substance, there is significant abuse of inhalants such as glue that impoverished users turn to because it is readily available and cheap.

Treatment data reported by the Thai government and United Nations Office of Drugs and Crime (UNODC) indicates that “ya ba” use remains widespread although Thai authorities report that usage continued to drop because of stronger law enforcement, in particular interception of traffickers along border areas, and some increased preference by users for other drugs such as the crystal form of methamphetamine “ice” and Ecstasy. Consumption rates and trafficking volumes of “ya ba” remain less than before former Prime Minister Thaksin’s controversial drug war of 2003, with prices today about three times higher than what they were prior to the “drug war.” Heroin and opium usage continued to decrease in 2007 as well. “Ice” usage increased in 2007, continuing a trend since 2004 although usage remains relatively limited, perhaps as a result of the much higher cost of this drug in comparison to “ya ba.” The use of Kratom (*Mitragyna speciosa*), a plant with addicting stimulant properties found in southern Thai provinces, increased as did marijuana usage.

There were also many crystal methamphetamine “ice” seizures, which Thai officials believe was destined largely for markets outside the country. “Ice” abuse in Thailand is still mostly limited to entertainment districts in the larger cities. “Ice” is smoked in a fashion similar to crack cocaine and costs 3,000 baht (USD \$88) per gram on the street. The “ice” that transits Thailand for regional markets usually goes to established markets in Malaysia, Indonesia, Singapore, the Philippines, Taiwan and Japan.

III. Country Actions Against Drugs in 2007

Policy Initiatives. In late 2006, the Royal Thai Government’s National Narcotics Control Management Centre (NNCMC) launched a year-long program to target trafficking areas and groups deemed to be at high-risk of using illicit drugs. Targeted locations include Bangkok and five nearby central Thai provinces, five southernmost provinces, select border areas and former opium-growing areas in Thailand’s north where small poppy fields are nevertheless detected and destroyed, albeit infrequently. Youth, former addicts and ex-drug prisoners also were encouraged to join drug education and resistance programs. Nationwide local administrative organizations were enlisted to take these programs at the community level.

In October 2007, the Prime Minister endorsed a Cabinet decision to abolish a controversial three-year old incentive system by which investigators and their superiors in the Anti-Money Laundering Office (AMLO) received personal cash awards for successful seizures of illicit funds. The United States and others urged the RTG to rescind this system due to its likely negative influence on case development priorities, and the U.S. Government subsequently ceased providing training and other assistance to AMLO while the rewards system remained in place. Although the executive order that terminated this system contains a controversial grandfather clause which allows payments of incentives already approved, in practice few if any additional rewards payments are expected to be made.

Law Enforcement Efforts. Ongoing RTG efforts to interdict the trade and use of illicit drugs included the following measures in 2007: Stronger border interception; utilizing units of the civil service, police and army to patrol, operate check points and monitor high traffic areas; strengthening local communities by education and drug resistance programs; enhancing international assistance and operational cooperation; surveying and manual eradication of poppy cultivation areas; education and alternative livelihood support for northern hill-tribe villagers; and better statistical research and measurement of drug users, traffickers, and released prisoners. The Thai Office of Narcotics Control Board conducts year-round surveillance in upland areas of northern Thailand where new opium poppy plantings are most likely to occur, usually on plots of half an acre or less. The Office coordinates at least one manual opium eradication campaign per year that is carried out by Thai 3rd Army units that have become expert in this activity. These campaigns are conducted with modest financial support from the U.S. Mission, and with leads and intelligence developed by the DEA Bangkok Country Office.

Thailand's regional efforts at border interdiction and law enforcement coordination include continued policing of the northern and northeast border regions of the country. Improved cross-border operational communications along the Mekong River has been fostered in part by continuing scheduled joint Lao-Thai river patrols using U.S. Government-purchased small boats and other equipment. Lao and Thai border law enforcement authorities take advantage of improved, more frequent contacts and meetings as well as better communications tools to support operational cross-border communications. Thai law enforcement authorities employ extensive field training and modern equipment to respond to the border trafficking threat. A wide assortment of counternarcotics tools, including confidential sources, undercover operations, controlled deliveries and court-authorized wiretaps are available and are used in drug suppression and interdiction. Thai agencies also adjust their strategy and tactics to meet the changing threat from modern-day drug trafficking groups as the traffickers adapt and alter their own operations. When traffickers shifted their smuggling routes to Laos and Northeast Thailand, Thai authorities quickly moved enforcement capacity to those areas. A new USG-outfitted drug intelligence center constructed with the help of JITAF-West in northeastern Thailand further bolsters counter narcotics coordinating and operational capabilities within the Thai Police Narcotics Suppression Bureau (PNSB) network.

Corruption. As a matter of government policy, Thailand does not encourage or facilitate illicit production or distribution of narcotic or psychotropic drugs or other controlled substances, or the laundering of drug proceeds, either by individuals or government agencies. Additionally, no senior official of the Thai government is known to engage in, encourage, or facilitate the illicit production or distribution of narcotic or psychotropic drugs or other controlled substances or the laundering of proceeds from drug transactions. Corruption remains a problem in Thai society, nonetheless, and is frequently chronicled by press reports, high-profile court cases and anecdotal information although such reported incidents are rarely drug-related. Still, some drug-related corruption is likely, given the volume and value of drugs consumed in and moving through Thailand.

Agreements and Treaties. Thailand is a party to the 1988 UN Drug Convention and the 1971 UN Convention on Psychotropic Substances. It has signed but not ratified the UN Convention against Transnational Organized Crime and the UN Convention against Corruption. Thailand is an active participant in the Colombo Plan, and a participant in the ASEAN and China Cooperative Operations in Response to Dangerous Drugs (ACCORD) Organization. Thailand signed the ASEAN Treaty on Mutual Legal Assistance. The Kingdom also maintains less formal agreements such as the memorandum of intent with China that outlines an agreement to share information on seized drugs. The United States and Thailand have an extradition treaty in force, and the Thai have always been among the top partners of the U.S. in this area. During calendar year 2007, Thai authorities extradited five individuals to the United States. The United States and Thailand also have had a bi-lateral Mutual Legal Assistance Treaty in force since 1993.

The ONCB continued its efforts to develop better operational relationships with counterpart agencies in Laos by expanding its network of Border Liaison Offices (BLO) along the Thai-Lao Mekong River Border. The BLO initiative was originally proposed to countries in the sub-region as well as China by the United Nations Office of Drugs and Crime (UNODC) in order to promote effective, timely bilateral law enforcement communications and cooperation between locally-based government law enforcement agencies. Thai authorities laud the program as having led to much more effective and timely operational communication with their Lao counterparts. Thailand also continues to host and fund frequent bilateral and multilateral border meetings with Laos, Burma, Cambodia, Malaysia and Vietnam in order to develop better law enforcement planning and operational cooperation. U.S. law enforcement assistance funds were used to provide modest support to Thailand's BLO network in 2007.

Drug Flow/Transit. Thailand remains an important regional transit country for heroin and methamphetamine entering the international marketplace, including the United States. Much of the heroin leaving Thailand is destined for regional consumption with small quantities transported and marketed in Taiwan, Australia or other countries. However, several criminal organizations still ship small amounts of heroin to New York, New Jersey, Chicago (and other Midwestern locations), the Pacific Northwest, and California. Drugs are transported into northern Thailand via couriers and small caravans along mountainous jungle trail networks, and are increasingly transshipped from Burma through Laos and Cambodia from where they are introduced into northeastern and eastern Thai towns. Once inside Thailand, the drugs are transported to Bangkok and other distribution areas by vehicle. Use of the Thai mail system also continues to be a common means for moving drugs within and out of the country. Burmese-based international drug trafficking organizations continue to produce hundreds of millions of tablets of methamphetamine ("ya ba") each year. A substantial portion of these end up in Thailand, and "ya ba" remains the number one drug of abuse in the Kingdom.

The increase in cocaine importation and trafficking in Thailand continued in 2007, and there are indications of smuggling cocaine from South America for distribution in Thailand or transshipment to Taiwan, Japan and elsewhere in Asia. A recent trend is of South American males arriving in Thailand, Cambodia and Malaysia with quantities of cocaine secreted inside their bowels. These "swallowers" can ingest anywhere from 50 to 150 capsules, using prophylactic containers. A typical seizure of this nature generally ranges from 0.5 to 1.75 kg of cocaine. Ecstasy trafficking continues to become more common in Thailand, though high street prices still restrict the market. Sources have expanded beyond Europe and Canada, but earlier reports of Ecstasy production in Burma have not yet been confirmed. Thailand-based enterprises continue to market steroids and other pharmaceuticals on a worldwide scale, much of which end up in markets where such products are illegal including the U.S. and Europe. One Thai organization under investigation produces steroids in three countries, distributes to multiple companies around the world and moves much of its financial proceeds through Thailand.

Domestic Programs/Demand Reduction. Thailand carries out a comprehensive range of demand reduction programs that encompass combinations of educational programs for the public and treatment for users. In the past three years, the Thai government has taken positive steps to substitute treatment programs for prison terms in instances where the drug user was caught in possession of quantities of drugs that clearly were for personal use and lacked any intent to distribute. In 2005, a demand reduction national task force was formed to promote greater emphasis on treatment versus incarceration for users, and to launch a “drug free workplace” project among other initiatives. A highly visible and effective drug awareness and demand reduction program known as “To Be Number One” continues under the patronage and active involvement of a senior member of the Royal Family who is a highly respected figure in Thai society. This and other drug education and awareness campaign are conducted in cooperation with private organizations, NGO’s and public institutions and uses radio, television and printed media to reach intended audiences.

In 2007, the U.S. Mission provided financial support to a Thai Ministry of Health monitoring project in northern Thailand aimed at determining the effectiveness of treatment programs by interviewing former methamphetamine users. The program is conducted by a regional Thai government drug treatment hospital in Chiang Mai city, in collaboration with U.S. academic researchers who are funded by the U.S. National Institute for Health. The results gleaned from this research are intended to help the Thai and U.S. demand reduction community better understand how to better develop future treatment programs.

IV. U.S. Policy Initiatives and Programs

Bilateral Cooperation. Thailand and the United States maintain an exemplary, long-standing partnership to combat drug trafficking and international crime. Thai-U.S. bilateral cooperation makes possible a broad range of investigations that are conducted jointly by Thai law enforcement agencies and the U.S. Drug Enforcement Administration (DEA), training programs that build capacity in anti-narcotics and other law enforcement areas and cooperation with third countries on a range of narcotics control and anti-transnational crime activities.

The United States continues to provide capacity-building and operational support to Thailand, under annual Letters of Agreement (LOA). Most visible among these activities is the continued operation of the jointly funded and managed Thai-U.S. International Law Enforcement Training Academy (ILEA) in Bangkok, which provides law enforcement operational and management skills training to government officials and police officers from 12 regional countries, plus Hong Kong. In addition to a full schedule of training programs for regional officials, ILEA conducts numerous bilateral skills-building courses and seminars dedicated to benefit Thai law enforcement and government agencies. These programs include training by Federal, state and local U.S. law enforcement professionals, purchases of non-lethal equipment and other commodities, and targeted 3rd-party funded training—all aimed at facilitating Thailand’s capacity to combat the illicit drug trade and transnational and organized crime.

Thailand is one of eleven countries worldwide in which the United States Drug Enforcement Administration (DEA) has established Sensitive Investigative Units (SIU). Thai SIU participants receive specialized training and undergo a rigorous vetting process in order to be selected for the program. This process assures a cadre of highly competent counterparts with whom DEA works closely to target drug trafficking organizations. Five SIU teams currently operate in Thailand, and all are focused on the most important trafficking groups in the region. An intensive forensics crime analysis training program was also begun in 2007 to enhance Thai police and Ministry of Justice ability to build better criminal prosecutions using crime scene and other forensic evidence. This program is funded by the Department of State and carried out by the Department of Justice, and

will be succeeded in 2008 by a more comprehensive program of assistance and capacity building to Thai law enforcement agencies.

The Road Ahead. The United States will continue to closely support the Thai Government's efforts to interdict illicit drugs moving into the region and the United States, as well as collaborate on a broad range of international crime control issues via material, legal and technical support approaches. The U.S. will continue supporting Thai/Lao maritime border security by providing small river patrol boats and associated training/equipment, support Thailand's effective work to improve border liaison with neighboring Laos, contribute to manual opium eradication programs, and provide modest support to the alternative livelihood programs for upland populations that have been carried out in northern Thailand by Thai agencies under Royal Patronage for three decades. The U.S. will contribute to justice sector reform at the request of Thai counterpart agencies, and utilize seconded U.S. Department of Justice personnel as well as private sector organizations such as the American Bar Association to help achieve this goal. ILEA Bangkok will continue to aggressively offer a comprehensive program of regional law enforcement training and cooperation, and build Thai agency technical skills in order to enhance capacity to fight transnational crime and illicit drug trafficking.

V. Statistical Table

Drug Seizures	2007 (as of 12/11)	2006	2005	2004
Methamphetamine ("ya ba")	12.1 million tablets	13.7 million tablets	17.7 million tablets	31 million tablets
Crystal methamphetamine ("ice")	45.1 kg	93.9 kg	322.6 kg	47 kg
Ketamine	1.6 kg	42.7 kg	47.5 kg.	163.9 kg
Opium seized: includes raw, cooked, and poppy plants	1,158.8 kg	787.6 kg	5,767.5 kg	1,595 kg
Heroin	256.8 kg	91.7 kg	954.6 kg	820 kg
Ecstasy	18.3 kg	6.8 kg	8.6 kg	31 kg
Ecstasy: expressed in another manner	73,182 tablets	27,800 tablets	34,368 tablets	124,980 tablets
Cocaine	15.8 kg	38.8 kg	6.78 kg	12.3 kg

Note: The seizure data above was gathered from the Asia and Pacific Amphetamine-Type Stimulants Information Centre, a Bangkok-based United Nations Office of drugs and crime project on data and trends with which the Thai government cooperates, and from the Office of the Narcotics Control Board of the Royal Thai Government. Some changes have been made to previously published prior-year information in order to remove duplicate reporting and errors.

Vietnam

I. Summary

The Government of Vietnam (GVN) continued to make progress in its counternarcotics efforts during 2007. Specific actions included: sustained efforts of counternarcotics law enforcement authorities to pursue drug traffickers; increased attention to interagency coordination; continued cooperation with the United Nations Office on Drugs and Crime (UNODC); increased attention to both drug treatment and harm reduction; continued public awareness activities; and additional bilateral cooperation on HIV/AIDS. The United States and Vietnam continued to implement training and assistance projects under the counternarcotics Letter of Agreement (LOA). Operational cooperation with the U.S. Drug Enforcement Administration's (DEA) Hanoi Country Office (HCO) continued to lag behind expectations. In November 2006, DEA and the GVN's Ministry of Public Security (MPS) concluded a memorandum of understanding intended to facilitate operational cooperation between the two agencies on transnational counternarcotics matters. Vietnam is a party to the 1988 UN Drug Convention.

II. Status of Country

This year, the GVN claims about 37.5 ha of opium and 0.4 ha of cannabis under cultivation nationwide, all of which were eradicated. Official UNODC statistical tables no longer list Vietnam separately in drug production analyses. Cultivation in Vietnam probably accounts for only about one percent of the total cultivation in Southeast Asia, according to law enforcement estimates. DEA has no evidence of any Vietnamese-produced narcotics reaching the United States. There appear to be small amounts of cannabis grown in remote regions of southern Vietnam. In the past, Vietnam has not been confirmed as a source or transit country for precursors, but recently there was a seizure in Thailand of Saffron (sassafras oil-From which Ecstasy can be produced) manufactured in Cambodia. This precursor to MDMA production is no longer produced in Vietnam, but it continues to be imported into Vietnam for re-export to third countries. The potential for diversion of sassafras oil into clandestine MDMA production remains an area of concern for DEA.

In 2007, the GVN continued to view other Golden Triangle countries, primarily Burma and Laos, as the source for most of the heroin supplied to Vietnam. GVN authorities are particularly concerned about rising ATS use among urban youth. During 2007, the GVN increased the pace of enforcement and awareness programs that they hope will avoid a youth synthetic drug epidemic. Resource constraints in all aspects of narcotics programs are pervasive, and GVN counternarcotics officials note that, as a developing country, Vietnam will face such resource constraints for the foreseeable future. Officials also noted, however, significant annual budget increases for counternarcotics efforts. Drug laws remain very tough in Vietnam. For possession or trafficking of 600 grams (something more than one pound) or more of heroin, or 20 kg (44 pounds) of opium gum or cannabis resin, the death penalty is mandatory. Foreign law enforcement sources do not believe that major trafficking groups have moved into Vietnam. Relatively small groups comprised of from five to 15 individuals (who are often related to each other) usually do most narcotics trafficking.

III. Country Actions Against Drugs in 2007

Policy Initiatives. The structure of the GVN's counternarcotics efforts is built around the National Committee on AIDS, Drugs and Prostitution Control (NCADP), which includes 18 GVN ministries and people's organizations as members. In addition, MPS, as NCADP's standing member, has a

specialized unit to combat and suppress drug crimes. During 2007, many provinces and cities implemented their own drug awareness and prevention programs, as well as demand reduction and drug treatment. The GVN continues to view drug awareness and prevention as vital tools and significant objectives in its fight against drugs, as well as integral parts of its effort to comply fully with the 1988 UN Drug Convention. The GVN has continued to rely heavily on counternarcotics propaganda, culminating in the annual drug awareness month in June 2007. Officially sponsored activities cover every aspect of society, from schools to unions to civic organizations and government offices. In 2007, the GVN extended its ongoing effort to de-stigmatize drug addicts in order to increase their odds of successful treatment, and to help control the spread of HIV/AIDS.

Law Enforcement Efforts. According to GVN statistics, during the first nine months of 2007, there were 7,185 drug cases involving 9,343 traffickers. Total seizures include 123 kg of heroin, 53 kg of opium, 224 kg of cannabis, 24,300 ATS tablets, and 10,050 other tablets and ampoules of addictive pharmaceuticals. The numbers of cases and traffickers during the first six months of 2007 represent decreases of 22.09 and 34.5 percent, respectively, compared with the same period of 2005. Officials attributed the lower figures to increased admissions of addicts in drug treatment centers, greater effectiveness of counternarcotics forces on the borders and success at raising public awareness. During the first nine months of 2007, courts throughout the country tried 8,357 traffickers in 6,274 cases.

Foreign law enforcement representatives in Vietnam acknowledge that real operational cooperation on counternarcotics cases is minimal due to legal prohibitions and policy restrictions that preclude Vietnam's drug enforcement authorities from sharing information and supporting bilateral investigations with foreign police agencies. Without changes in Vietnamese law to allow the establishment of a legal and procedural basis for Vietnam's cooperation with foreign law enforcement agencies, operational "cooperation" will remain limited and largely determined on a case-by-case basis. USG law enforcement agencies hold out some hope that the development of agency-to-agency agreements will slightly improve the cooperation climate. During 2007, cooperation levels between GVN law enforcement authorities and DEA's HCO continued to gradually improve, although DEA agents have not been officially permitted to work directly with GVN counternarcotics investigators. Cooperation was limited to receiving information and investigative requests from DEA, holding meetings and providing somewhat limited responses to DEA's requests. Thus far, counternarcotics police have declined to share detailed investigative information with DEA. During 2006 and 2007, DEA did receive operational cooperation on one money laundering investigation in which MPS assisted in the receipt of alleged drug money that was remitted to Vietnam through a money laundering organization in the United States. However, despite requests made by DEA, MPS provided no investigation information on the organizations or businesses that facilitated the illegal money remittance in Vietnam.

Corruption. As a matter of GVN policy, Vietnam does not encourage or facilitate illicit production or distribution of narcotic or psychotropic drugs or other controlled substances, or the laundering of proceeds from illegal drug transactions. No information specifically links any senior GVN official with engaging in, encouraging or facilitating the illicit production or distribution of drugs or substances, or the laundering of proceeds from illegal drug transactions. Nonetheless, a certain level of corruption, both among lower-level enforcement personnel and higher-level officials, is consonant with fairly large-scale movement of narcotics into and out of Vietnam. The GVN did demonstrate willingness in 2007 to prosecute officials, although the targets were relatively low-level. In September, two prosecutors of the Thai Nguyen Provincial Supreme People's Procuracy were arrested for alleged bribe taking in a drug case. Earlier, two drug police officers were also arrested on the same charge in the case.

Agreements/Treaties. Vietnam is a party to the 1988 UN Drug Convention, the 1961 UN Single Convention as amended by the 1972 Protocol and the 1971 UN Convention on Psychotropic

Substances. Vietnam has signed, but has not yet ratified, the UN Corruption Convention and the UN Convention against Transnational Organized Crime.

Cultivation/Production. Despite eradication efforts, the GVN reported 37.5 ha of opium re-planted nationwide. The total poppy cultivation in 2007 showed a significant decrease compared to the previous year. The total number of hectares under opium poppy cultivation remains sharply reduced from an estimated 12,900 ha in 1993, when the GVN began opium poppy eradication. There have been recent confirmed reports that ATS and heroin have been produced in Vietnam. Local ATS production relies on ATS powder brought from outside the country, which is then processed into pills. GVN law enforcement forces have seized some ATS-related equipment (i.e., pill presses). In January, Vietnam's first-ever prosecution for heroin production, involving 44 kg produced in 2001 and 2003, concluded with the court handing down eight death sentences and thirteen life imprisonments. Officials described the method of production used by the perpetrators as "simple and manual," and "not at a level sufficient to produce saleable heroin." As part of its efforts to comply fully with the 1988 UN Drug Convention, the GVN continued in 2007 to eradicate poppies when found and to implement crop substitution. There were, however, some reports of trafficking in heroin among hill tribes along the border with Laos.

Drug Flow/Transit. While law enforcement sources and the UNODC believe that significant amounts of drugs are transiting Vietnam, DEA has not yet identified a case of heroin entering the United States directly from Vietnam. More commonly, drugs, especially heroin and opium, enter Vietnam from the Golden Triangle via Laos and Cambodia by land, sea and air, making their way to Hanoi or Ho Chi Minh City, either for local consumption or transshipment to other countries such as Australia, Japan, China, Taiwan and Malaysia. The ATS flow into the country during 2007 continued to be serious and not limited to border areas. ATS can now be found throughout the country, especially in places frequented by young people. ATS, such as amphetamine, Ecstasy, and especially "ice" methamphetamine (crystal methamphetamine), and other drugs such as diazepam and Ketamine continue to worry the government. Such drugs are most popular in Hanoi, Ho Chi Minh City and other major cities. During 2007, numerous cases involving ATS trafficking and consumption were reported in the media, including mass arrests following raids on popular nightclubs.

Domestic Programs/Demand Reduction. According to the Standing Office for Drug Control (SODC), by the end of June 2007, there were 166,291 officially registered drug users nationwide. Included in that figure are 88,315 addicts living in the community, and 45,263 and 32,713 other addicts living, respectively, in MPS (Ministry of Public Security) prisons and MOLISA (Ministry of Labor, War Invalids and Social Affairs) treatment centers. Vietnam has 87 provincial-level treatment centers providing treatment to about 58,000 drug addicts annually, a six-fold increase compared with 2001. The number of "unofficial" (i.e., not acknowledged officially) drug users is at least 1.5 times higher. During the first six months of 2007, 45,572 drug users received treatment, including 8,303 new recipients. This year, the SODC reported that heroin accounts for 84.72 percent of drug use, while ATS use saw a significant increase, especially among the youth. Ministries distributed hundreds of thousands of counternarcotics leaflets and videos, and organized counternarcotics painting contests for children. The Ministry of Education and Training (MOET) carries out awareness activities in schools. Counternarcotics material is available in all schools and MOET sponsors various workshops and campaigns at all school levels.

The UNODC assesses GVN drug awareness efforts favorably, but considers these efforts to have had minimal impact on the existing addict and HIV/AIDS population. Vietnam strives to integrate addiction treatment and vocational training to facilitate the rehabilitation of drug addicts. These efforts include tax and other economic incentives for businesses that hire recovered addicts. Despite these efforts, only a small percentage of recovered addicts find regular employment. HIV/AIDS is a serious and growing problem in Vietnam. The epidemic is closely related to

intravenous drug use and commercial sex work. At least 53 percent of known HIV cases are IDUs. A 2006 national sentinel surveillance indicated a 23 percent HIV prevalence among IDUs. However, in some provinces, the HIV prevalence is reported at as high as 45 percent among IDUs. The Vietnamese National Strategy for HIV Prevention and Control, launched in March 2004, presents a comprehensive response to HIV, including condom promotion, clean needle and syringe programs, voluntary counseling and testing and HIV/AIDS treatment and care. The GVN reported a total of 126,543 HIV cases in the country. Out of that number, 24,788 are AIDS patients. The actual figure is believed to be three times higher. In June 2004, Vietnam was designated the 15th focus country under the President's Emergency Plan for AIDS Relief (PEPFAR). USG FY07 funding, about \$65.8 million, is distributed through key PEPFAR agencies such as USAID, HHS/CDC, and the U.S. Department of Defense. Through PEPFAR, the USG supports the Vietnam National HIV/AIDS Strategy of Prevention, Care and Treatment for People Living with HIV/AIDS (PLWHA). The majority of USG support targets seven current focus provinces (Hanoi, Hai Phong, Quang Ninh, Ho Chi Minh City, Can Tho, An Giang and Nghe An) where the epidemic is most severe; however, PEPFAR also supports HIV counseling and testing and community outreach for drug users and sex workers in 30 provinces. From 2005 through 2007, USG-supported programs have trained nearly 43 substance abuse counselors/case managers who work in Hai Phong and Ho Chi Minh City (HCMC). In cooperation with the HCMC, the PEPFAR team is piloting a comprehensive program to assist former rehabilitation center residents prevent relapse, stabilize their lives and access appropriate care for HIV disease. As this program shows success, it will be expanded to assist drug users in provinces beyond HCMC.

IV. U.S. Policy Initiatives and Programs

Policy Initiatives. Under the Vietnam-U.S. Counternarcotics Assistance LOA, U.S. Customs and Border Protection delivered contraband enforcement training to GVN customs, border guards, and maritime administration officials. This training included three field visits for GVN officials to U.S. ports to observe best practices and three in-country training courses held in major port cities. Also under the LOA, DEA International Training Units conducted an Airport Interdiction and Seizure Seminar in September. During July and August, DEA and JIATF-W sponsored two-week Officer Tactics and Safety training seminars for MPS and Border Army officials in Hanoi and HCMC. Between January and September 2007, using State Department law enforcement assistance, 44 Vietnamese law enforcement officers attended the International Law Enforcement Academy (ILEA) in Bangkok. The USG also provided port security and vulnerability assessment and container inspection training to Vietnam. The USG also contributed to counternarcotics efforts in Vietnam through the UNODC. The USG also contributed to counternarcotics efforts in Vietnam through the UNODC.

The Road Ahead. The GVN is acutely aware of the threat of drugs and Vietnam's increasing domestic drug problem. However, there is continued suspicion of foreign law enforcement assistance and/or intervention, especially from the United States, in the counternarcotics arena. During 2007, as in previous years, the GVN made progress with ongoing and new initiatives aimed at the law enforcement and social problems that stem from the illegal drug trade. Notwithstanding a lack of meaningful operational cooperation with DEA, the GVN continued to show a willingness to take unilateral action against drugs and drug trafficking. Vietnam still faces many internal problems that make fighting drugs a challenge. USG-GVN operational cooperation remains very limited pending the development of a legal framework in Vietnam to allow foreign law enforcement officers to participate in some manner in law enforcement investigations on Vietnamese soil, or the signing of a bilateral agreement between the United States and Vietnam that would create a mechanism for the joint investigation and development of drug cases. The November 2006 Memorandum of Understanding between DEA and the GVN's Ministry of Public Security (MPS) is a first step in this direction, but is non-binding in character and directly

addresses law enforcement cooperation only at the central government level, rather than the operational or investigative agency level.

EUROPE AND CENTRAL ASIA

Albania

I. Summary

Albania is a transit country for narcotics traffickers moving primarily heroin from Central Asia to destinations around Western Europe. In 2007, seizures of heroin declined slightly, while seizures of other drugs remained high. Cannabis continues to be produced in Albania for markets in Europe, but cultivation has largely moved into the more remote mountain regions of Albania that the government has difficulty accessing. The Government of Albania (GOA), in response to international pressure and with international assistance, is confronting criminal elements more aggressively but continues to be hampered by a lack of resources and endemic corruption. Albania is a party to the 1988 UN Drug Convention.

II. Status of Country

Albania's ports on the Adriatic and porous land borders, together with poorly financed, poorly managed and under-equipped police, border security and customs controls, make it an attractive stop on the smuggling route for traffickers moving shipments into Western Europe. In addition, marijuana is produced domestically for markets in Europe, the largest being Italy and Greece.

III. Country Actions Against Drugs in 2007

Policy Initiatives. The GOA took several steps against corruption: it passed the Law on the Prevention of Conflicts of Interest and issued a schedule for the law's implementation. Civil society monitoring has also increased expectations that corruption will decrease throughout society. The GOA outlawed the circulation of speedboats and several other varieties of water vessels on all of Albania's territorial waters for a period of three years, which appears to have slowed the movement of drugs by smaller waterborne vessels, particularly to Italy. Albania works with its neighbors bilaterally and in regional initiatives to combat organized crime and trafficking, and it is a participant in the Stability Pact and the Southeastern Europe Cooperative Initiative (SECI). Albania signed the Stabilization and Association Agreement with the European Commission in June 2006, and it has since been ratified by twelve European Union member countries. The EU noted in its ratification that Albania "...is still facing serious challenges in tackling corruption and organized crime, achieving full implementation of adopted legislation, improving public administration and fighting trafficking in human beings and drugs."

Law Enforcement Efforts and Accomplishments. Albanian police continued to make progress in their counternarcotics operations through the increased use of technology, improved police techniques, and an increase in overall capacity. Drug seizure numbers from both Italy and Greece show a marked decline in drugs seized coming from Albania to these countries, which demonstrates the success of Albania's efforts. Albanian authorities organized major police operations and drug seizure operations throughout the country, particularly in Fier, Tirana, and the ports of Vlora and Durres. International cooperation also increased, including joint operations with Italian, Macedonian, Greek and Turkish authorities. Albanian authorities report that through September 2007, police arrested 315 persons for drug trafficking, and an additional 29 are wanted, similar numbers to the previous year. The police seized 125 kg of heroin, 3256 kg marijuana, and 12kg of cocaine through September. The police also destroyed 177,068 cannabis plants and 847 poppy plants, and confiscated one liter of hashish oil. Although the amount of heroin seized was nearly equal to last year, marijuana seizures declined sharply. The two-fold increase in the number of cannabis plants destroyed is seen as the reason for the decline of Albania's export of marijuana. This coincides with a noted decrease in the number of drugs seized by Italian authorities, who for

the first five months of 2007 had seized only 57kg of heroin coming from Albania and 40 kg of marijuana. The increase in the seizures of cocaine in Albania signals a slight rise in the trafficking of cocaine into Albania both for domestic consumption and for export to Greece and Italy. The rise in the cannabis seizures raises questions about the accuracy of the data in last year's report, when the government statistics suggested that the numbers from 2005-2006 had declined because of reduced cultivation.

During the first quarter of 2007, a record single seizure of heroin was made through the investigative efforts of the Tirana Anti-Narcotics Sector. Using methods and techniques learned from USG- sponsored training in narcotics investigations, including surveillance and information handling, the Anti-Narcotics Sector of the Tirana Directorate conducted a two-week investigation that resulted in the seizure of more than 25 kilograms of heroin, several luxury vehicles, weapons, and cell phones along with the arrest of two major drug traffickers. This seizure was the largest ever recorded by the Albanian Police.

Corruption. Corruption remains a deeply entrenched problem in Albania. Low salaries, social acceptance of graft and Albania's tightly knit social networks make it difficult to combat corruption among police, magistrates, and customs officials. The GOA does not, as a matter of policy, encourage or facilitate the illicit production or distribution of drugs or illegal substances, or the laundering of proceeds from illegal drug transactions. As part of the government's anticorruption pledge, in May 2006, Albania ratified the UN Convention against Corruption. In 2007, the police and judiciary became more active in investigating government officials and law enforcement personnel for corruption. The office of the Prosecutor General reported that the number of criminal proceedings for offences related to illegal activity of public officials (corruption, abuse of duty, etc) increased by 28 percent during 2006. 304 persons were investigated for these offences, and 191 of them were sent to trial, 130 of whom were convicted and sentenced (a 55 percent increase compared to 2005). Of the overall 13 percent increase in cases proceeding to trial, a majority of the increase involved corruption, illegal government activity and trafficking.

The overall increased number of corruption cases suggests that authorities are cracking down on a tendency to "look the other way" to curry favor with criminals. Although these numbers are a significant improvement over 2005 and 2006, Albania continues to lack the judicial independence for truly unbiased proceedings and many cases are never resolved. One bright note is that toward the end of 2007 the government arrested several senior officials from the Tax Administration, and several others from the Ministry of Transportation and Telecommunications, including a Deputy Minister, on charges of corruption.

Agreements and Treaties. Albania is a party to the 1988 UN Drug Convention, the 1961 UN Single Convention as amended by the 1972 Protocol, and the 1971 UN Convention on Psychotropic Substances. An extradition treaty is in force between the United States and Albania. Albania is a party to the UN Convention Against Transnational Organized Crime (TOC) and its protocols against migrant smuggling and trafficking in persons. The TOC Convention enhances the bilateral extradition treaty by expanding the list of offenses for which extradition may be granted. The U.S. submitted an extradition request to Albania in 2007 under this Convention with a successful result.

Cultivation and Production. With the exception of cannabis, Albania is not a significant producer of illicit drugs. According to authorities of the Ministry of Interior's Anti-Narcotics Unit, cannabis is currently the only drug grown and produced in Albania and is typically sold regionally. Although eradication programs co-sponsored by the police and local governments have been credited with substantially reducing cultivation of cannabis, cultivation persists despite these efforts. No labs for the production of synthetic drugs were discovered in 2007, and the trade in synthetic drugs remains virtually non-existent. Albania is not a producer of significant quantities of precursor chemicals.

The Law on the Control of Chemicals Used for the Illegal Manufacturing of Narcotic and Psychotropic Substances was passed in 2002 and regulates precursor chemicals. Police and customs officials are not trained to recognize likely diversion of dual-use precursor chemicals.

Drug Flow and Transit. The trafficking in narcotics in Albania continues as one of the most lucrative illicit markets. Organized crime groups use Albania as a transit point for drugs and other types of smuggling, due to the country's strategic location, weak law enforcement and unreformed judicial systems, and porous borders. Albania is a transit point for heroin from Afghanistan, which is smuggled via the "Balkan Route" of Turkey-Bulgaria-Macedonia-Albania to Italy, Montenegro, Greece, and the rest of Western Europe. A limited, but growing, amount of cocaine is smuggled from South America to Albania, both for domestic consumption and external distribution. Additionally, criminal networks are increasingly using ethnic Albanians to smuggle cocaine and heroin from other countries into Albania, Italy and Greece.

Domestic Programs (Demand Reduction). The Ministry of Health believes that drug use is on the rise, but has no reliable data about drug abuse. According to health professionals, the addict population is as large as 30,000 users and current registered drug use could be just the tip of the iceberg for Albania. The GOA has taken steps to address the problem with a National Drug Demand Reduction Strategy but is hampered by the inadequate public health infrastructure that is ill equipped to treat drug abuse, and public awareness of the problems associated with drug abuse remains low. The Toxicology Center of the Military Hospital is the only facility in Albania equipped to handle overdose cases and is staffed by only three clinical toxicologists. This clinic has seen an average of 2000 patients per year over the past five years, and the number of cases has remained constant over this period. The clinic estimates that around 80 percent of the cases result from addiction to opiates, predominately heroin, and most were intravenous drug users. There were only two NGO's operating in Albania during 2007, which dealt with drug related cases. Albania has few regulations on the sale of benzodiazepines, which are sold over the counter at local pharmacies, and the domestic abuse of these medications is believed to be rising, though no data is available.

IV. U.S. Policy Initiatives and Programs

Bilateral and Multilateral Cooperation. The GOA continues to welcome assistance from the United States and Western Europe. The U.S. is intensifying its activities in the areas of law enforcement and legal reform through technical assistance, equipment donations, and training. One of the problems seen in training, however, is deep politicization at all levels of government resulting in the absence of a strong civil service class and thus many trainees are subject to reassignment during times of political transition. This was especially acute in changes in the Albanian State Police following the 2007 municipal elections. Between 2005 and mid-2006, almost 90 percent of all Chief Controllers from Albania's major border crossing points were transferred or removed from their posts and replaced by new personnel. In many cases, newly-assigned personnel had no apparent background, training or understanding of border functions.

The DEA and the FBI have conducted drug training and investigations training. The U.S. Department of Justice ICITAP and OPDAT programs continued their support to the Office of Internal Control at the Ministry of the Interior, the Serious Crimes Court and Serious Crimes Prosecution Office, all with the goal of professionalizing the administration of justice, combating corruption, and strengthening the GOA's ability to prosecute cases involving organized crime and illicit trafficking. ICITAP continued to offer the Anti-Narcotics and Special Operations Sectors full-time advisory support, an advanced level of training (in cooperation with the FBI) to assist in combating this illicit trade. ICITAP and State/INL continued to provide support for the GOA's anti-narcotic strategy and efforts through its activities within the International Consortium and the Mini-Dublin Group.

In 2007, OPDAT conducted six regional training programs, funded by State/INL, providing instruction to all judges handling criminal cases on new criminal laws and procedures enacted in 2004, following on its similar training of all prosecutors in 2005-2006. OPDAT and ICITAP worked with the Albanian Ministry of Interior, Ministry of Finance, General Prosecutor's Office, and State Intelligence Service to form an Economic Crime and Corruption Joint Investigative Unit (JIU) to improve the investigation and prosecution of economic crime and corruption, which formally began operations in September of 2007.

The Witness Protection Sector (witness protection division within the Office of Organized Crime) continues to work with the U.S. and other members of the international community to strengthen the existing witness protection legislation. The Witness Protection Sector has helped to protect a number of witnesses, and witness families, in trafficking and drug related homicide cases. Two high-ranking members of the Albanian Witness Protection Program traveled to Washington DC in July 2006 to attend the First International Symposium on Witness Protection, and participated in the follow-up conference on Witness Protection in Lyon, France in September 2007. With the assistance of OPDAT and ICITAP personnel who accompanied the Albanian officials, progress was made during the Lyon conference in securing regional witness protection agreements with other European countries.

The United States, through State/INL, continues to provide assistance for integrated border management, a key part of improving the security of Albania's borders, providing specialized equipment, and the installation of the Total Information Management System (TIMS) at border crossing points. Part of the integrated border management initiative, formally approved by the Albanian Council of Ministers on 29 September 2007, included the establishment of an autonomous Border and Migration Department with direct command and control of all borderpolicing resources answerable to one central authority. Other U.S., EU, and international programs include support for customs reform, judicial training and reform, improving cooperation between police and prosecutors, and anticorruption programs.

Albanian law enforcement authorities have provided the Italian police with intelligence that has led to the arrest of drug dealers and organized crime members, as well as the confiscation of heroin in Italy. Cooperation also continues with Italian law enforcement officials to carry out narcotics raids inside Albania.

The Road Ahead. The Albanian government has made the fight against organized crime and trafficking one of its highest priorities. Additionally, the police are taking an increasingly active role in counter narcotics operations. Albania's desire to enter into both the European Union and NATO continues to push the GOA to implement and enforce reforms, but the fractional nature of Albanian politics and the slow development of Albanian civil society have hampered progress. The U.S., together with the EU and other international partners, will continue to work with the GOA to make progress on fighting illegal drug trafficking, to use law enforcement assistance effectively, and to support legal reform.

Armenia

I. Summary

Armenia is not a major drug-producing country and domestic abuse of drugs is relatively small. While the total amount of interdicted illegal drugs increased in the first nine months of 2007, the original base of cases was not large so the overall number of such incidents remains small. The Government of Armenia (GOAM) recognizes Armenia's potential as a transit route for international drug trafficking. In an attempt to improve its interdiction ability, the GOAM, together with Georgia and Azerbaijan, is engaged in an ongoing, European Union-funded and UN-implemented Southern Caucasus Anti-Drug (SCAD) Program, launched in 2001. This program provides legislative assistance to promote the use of European standards for drug prosecutions, collection of drug-related statistics, and rehabilitation services to addicts, as well as drug-awareness education. Armenia is a party to the 1988 UN Drug Convention.

II. Status of Country

Sitting at the crossroads between Europe and Asia, Armenia has the potential to become a transit point for international drug trafficking. Its role in drug trafficking could be exacerbated by lenient criminal penalties, at least compared to other countries in the region. At present, limited transport traffic between Armenia and its neighboring states makes the country a secondary traffic route for drugs. (Armenia currently has closed borders with Turkey and Azerbaijan.) The Armenian Police Service's Department to Combat Illegal Drug Trafficking has accumulated a significant database on drug trafficking sources, including routes and the people engaged in trafficking. Scarce financial and human resources, however, limit the Police Service's effectiveness. Drug abuse does not constitute a serious problem in Armenia, and the local market for illicit narcotics, according to the police, is not large. The most widely abused drugs are cannabis and opium. Heroin and cocaine first appeared in the Armenian drug market in 1996. Since the introduction of heroin the overall trend demonstrates an increase in its abuse, although heroin seizures declined 56 percent in the first nine months of 2007 (332.485 grams) compared to the first nine months of 2006 (762.38 grams). Cocaine seizures increased significantly, from 0.35 grams in the first nine months of 2006 to 172.8 grams in the first nine months of 2007. The total seizure amounts remain small, however, and the overall market demand for heroin and cocaine remains fairly small. The GOAM established an Interdepartmental Committee on Combating Drug Use and Drug Trafficking. Chaired by the Chief of Police, the Committee has not met for more than two years, indicating a failure on the government's part to effectively coordinate counternarcotics activities among Armenia's various agencies.

III. Country Actions Against Drugs in 2007

Policy Initiatives. There has been no new major legislation since the passage, on May 10, 2003, of the Law of the Republic of Armenia on Narcotic Drugs and Psychotropic Substances and a 2004 amendment to the criminal code. The latter criminalized the illicit trafficking of drug manufacturing precursors (e.g. substances involved in the processing of heroin) and drug manufacturing equipment. Legislative changes may be enacted soon, however. A measure to expand probable cause in search and seizures and lengthen criminal penalties for engaging in the drug trade is currently working its way through the National Assembly. In addition, the Prosecutor General's office has proposed that minor drug use be decriminalized. Currently, drug use is a criminal offense that can result in jail time. The Prosecutor General's proposal would change that and make drug use an administrative offense, resulting in a fine. This legislation is also currently

before the National Assembly. Thus, if these two pieces of legislation both eventually passed, Armenia would focus on traffickers, and de-emphasize enforcement against drug users.

Law Enforcement Efforts. Preventive measures to identify and eradicate both wild and illicitly cultivated cannabis and opium poppy continued in 2007. In September and October the police conducted its annual massive search for hemp and opium poppy fields in the countryside, as well as distribution networks in the cities. In August, Armenian law enforcement agencies participated in “Channel,” a joint operation that in 2007 involved Russia, Ukraine, Kazakhstan, Belarus, Kyrgyzstan, Tajikistan, Uzbekistan, Finland, China, Azerbaijan, Georgia, Mongolia, Afghanistan, Poland, Latvia and Lithuania. The U.S. Drug Enforcement Administration also participated in Channel operations with observer status. During this exercise, the Armenian authorities gave special scrutiny to all vehicles crossing the border and all containers arriving at the airport for a one-month period. All Armenian law enforcement agencies (Police, National Security Service, Customs, Border Guards, Police Internal Troops, Ministry of Defense, and the Prosecutor General’s Office) participate in this activity. The GOAM hopes to carry out “Channel” operations at least once more in 2008.

In the first nine months of 2007, the Armenian Police identified 702 violations of the criminal code dealing with illegal drug abuse and/or trafficking, compared to 703 such cases during a similar period in 2006, a statistically insignificant change. The GOAM claims that 330 individuals were involved in the 702 abuse and/or trafficking of illegal drug violations, compared to 394 individuals involved in the 703 cases in 2006. During the first six months of 2007, the GOAM seized 34.9 kg of illegal drugs, compared to 20.4 kg for the first six months of 2006, an increase of 42 percent. (Cannabis accounted for the vast majority of these seizures, 89 percent, while opium accounted for eight percent and heroin a little less than one percent.) Police sources attribute the increase in seizures to improved interdiction efforts, backed by recent legislative changes. For example, in 2004 the National Assembly amended the criminal code to make trafficking in small amounts of illicit narcotics a crime. Previously, only larger seizures could result in prosecution. But other factors indicate that the demand for illicit drugs, while small in comparison to other countries, is growing. Armenia has experienced double-digit economic growth for several years. Increased discretionary income among the population, particularly in Yerevan, could be raising the demand for illicit drugs. A World Health Organization (WHO) report claimed there were 9,000 intravenous drug users in 2006, up from 2,000 in 2001. The number of addicts treated at the Armenian Narcological Clinic, a drug treatment center, shows a steady increase: seven addicts sought treatment in 2001, 121 sought treatments in 2006, and 124 sought treatment in the first nine months of 2007. Undoubtedly, these numbers will increase even more if drug use is decriminalized. Moreover, anecdotal evidence indicates that the use of cocaine is more widespread than the seizure figures would indicate (172.8 grams in the first nine months of 2007). It is believed that cocaine is prevalent among the moneyed elite, and that the low interdiction and arrest rate for cocaine does not mean that the rich can hide their drugs better than the poor, but rather their money and influence preclude their arrest and prosecution. The Armenian Interagency Unit of Drug Profiling, funded by SCAD, operated from February 2005 until October of 2006. The unit collected information on passengers at Zvartnots International Airport and shared data on drug traffickers with law enforcement agencies. When the funding from SCAD dried up the GOAM failed to maintain the unit, although the police claim their airport unit works closely with the Border Guards and Customs services to identify traffickers. A new program scheduled to start in 2008, the Regional Integrated Border Management (RIBM) program, will centralize data in one place, giving all law enforcement agencies access to information on drug interdiction efforts.

Corruption. Corruption remains a problem throughout Armenia. While drug traffickers do not appear to have corrupted the system to an appreciable degree, numerous reports indicate that drug users, when found with drugs in their possession, often bribe cops to avoid arrest. Although the

GOAM has taken steps to develop an anticorruption program, the political will and the available resources have not been adequate. Since April 2004, there has been an Anti-Corruption Unit, overseen by the Prosecutor General and consisting of eight prosecutors, in the Office of the Armenian Prosecutor General. However, this unit has not shown any significant results. The GOAM does not encourage or facilitate the illicit production or distribution of narcotic drugs and psychotropic substances, nor does it encourage or facilitate the laundering of proceeds from the sale of illegal drugs. No government officials have been reported to have engaged in these activities.

Agreements And Treaties. Armenia is a party to the 1988 UN Drug Convention, the 1961 UN Single Convention as amended by the 1972 Protocol, and the 1971 UN Convention on Psychotropic Substances. Armenia is also a party to the UN Convention against Transnational Organized Crime and its protocols on migrant smuggling and trafficking in women and children. Armenia ratified the UN Convention against Corruption in March 2007.

Cultivation And Production. Hemp and opium poppy grow wild in Armenia. Hemp grows mostly in the Ararat Valley, the south-western part of Armenia; poppy grows in the northern part, particularly in the Lake Sevan basin and some mountainous areas.

Drug Flow/Transit. The principal transit countries through which drugs pass before they arrive in Armenia include Iran (heroin and opiates) and Georgia (opiates, cannabis and hashish). Armenia's borders with Turkey and Azerbaijan remain closed due to the Nagorno-Karabakh conflict, but small amounts of opiates and heroin are smuggled to Armenia from Turkey via Georgia. When all of Armenia's borders open once again, the police predict drug transit will increase significantly. There were also instances of small-scale importation from other countries in the past year. Most of these cases involved passengers arriving at the airport in Yerevan. For example, the synthetic opiate Subutex was found on passengers arriving from countries in Europe, particularly France, which has a large Armenian community. A criminal case was brought against five individuals accused of smuggling Ecstasy on flights from Istanbul. University students from India were charged with the sale of THC tablets brought from home.

Demand Reduction. The majority of Armenian addicts are believed to be using hashish, with heroin the second most abused drug. Armenia has adopted a policy of focusing on prevention of drug abuse through awareness campaigns and treatment of drug abusers. These awareness campaigns are being implemented and manuals are being published under the framework of the SCAD program. The Drug Detoxification Center, part of the Armenian Narcological Clinic and funded by the Ministry of Health, provides drug treatment and counseling.

IV. U.S. Policy Initiatives and Programs

Bilateral Cooperation. The USG continues to work with the Government of Armenia to increase the capacity of Armenian law enforcement. Joint activities include the development of an independent forensic laboratory, the improvement of the law enforcement infrastructure and the establishment of a computer network that will enable Armenian law enforcement offices to access common databases. In 2007, the Department of State, through its Export Control and Related Border Security (EXBS) program, continued to assist the Armenian government. EXBS training and assistance efforts, while aimed at the nonproliferation of weapons of mass destruction and their delivery systems, directly enhance Armenia's ability to control its borders and to interdict all contraband, including narcotics.

The Road Ahead. The USG will continue aiding Armenia in its counternarcotics efforts through the capacity building of Armenian law enforcement and will continue to engage the government on operational drug trafficking issues.

Austria

I. Summary

Austria remains primarily a transit country for illicit drugs and does not produce any illicit substances of its own. As in previous years, foreign criminal groups from former Soviet-bloc countries, Turkey, West Africa, and Central and South America, still dominate the organized drug trafficking scene in the country. Austria's geographic location along major trans-European drug routes allows criminal groups to bring drugs into the country. Production, cultivation, and trafficking by Austrian nationals, however, remain insignificant. Drug consumption in Austria is well below west European levels and authorities do not consider it to be a severe problem. The number of drug users is currently estimated at around 35,000. Cooperation with U.S. authorities continued to be outstanding during 2007. International cooperation led to significant seizures, frequently involving multiple countries.

In 2007, Austria continued its efforts to intensify regional police cooperation, particularly with regard to the Balkans. Austria also continued its year-long focus on providing policing know-how to countries in Central Asia. Austria is the seat of the United Nations Office for Drugs and Crime (UNODC) and has been a major donor for several years. Austria has been a party to the 1971 and 1988 UN drug conventions since 1997.

II. Status of Country

Despite a significant increase in drug users in Austria during 2007, the number of drug-related deaths increased only slightly, namely to a total of 197 for all of 2007. Authorities also confirm that the number of deaths from mixed intoxication continues to rise. According to police records, total violations of the Austrian Narcotics Act decreased. The latest prosecution statistics show 24,008 charges, a decrease of 9.39 percent from the previous year's total. Of these charges 1,317 involved psychotropic substances and 22,960 involved narcotic drugs. Ninety percent of the charges were misdemeanors. Austria's National Drug Coordinator estimates the number of total drug abusers at around 35,000. The number of users of MDMA (Ecstasy) remained largely stable in 2007. A 2006 Interior Ministry report states that the Ecstasy trafficking, to a large extent, is operated by Austrian rings. Usage of amphetamines rose during the past year. This is a Europe-wide trend as these substances become increasingly available in non-urban areas. According to a 2005 survey commissioned by the Health Ministry, approximately one-fifth of respondents admitted to consumption of an illegal substance at some time during their lives. Most respondents cited cannabis, with Ecstasy and amphetamines in second and third place respectively. Among young adults (ages 19-29), about 30 percent admitted "some experience" with cannabis at least once in their lifetimes. According to the study, 2-4 percent of this age group had already used cocaine, amphetamines, and Ecstasy, while 3 percent had experience with biogenetic drugs.

III. Country Action Against Drugs in 2007

Policy Initiatives. Throughout 2007, the Austrian government retained its no tolerance policy regarding drug traffickers while continuing a policy of "therapy before punishment" for non-dealing offenders. The Austrian government, heeding EU initiatives for stricter drug policies, introduced bills calling for stricter measures regarding certain types of abuses of the medical narcotics prescription system. According to critics, the controversial legislation would restrict prescriptions and infringe on patient privacy rights through increased surveillance of medical narcotics users. Austrian authorities are also pushing for stricter regulations regarding internet trade of illegal substances. Certain types of surveillance of illegal drug behavior is already possible under

a 2005 amendment allowing set up of cameras in high-crime public areas. Critics argue that this only moves the drug scene to other areas. The 2005 law also provides for the establishment of a “protection zone” around schools and retirement centers from which police may ban suspected drug dealers for up to thirty days.

During its EU presidency (January-July 2006), Austria initiated the EU’s “Partnership for Security,” with over fifty countries and organizations, including the U.S. and Russia, as participants. It reflects Austria’s strong, year-long focus on the Balkans. One element of this strategy is the “Police Cooperation Convention for Southeastern Europe,” which Austria co-signed. In May 2007, Austria headed the follow-up conference entitled “Drug Policing Balkans,” where high-level officials, including Embassy Vienna’s DEA representative, discussed drug smuggling along the Balkan route. In 2007, Austria held the co-chair for the Balkans region within the Dublin Group’s Regional Chair system. At the EU level, the GOA is also pushing for a European Narcotics Institute (European drug academy) styled along the lines of the U.S. NIDA. Austria, however, remains critical of the EU Drug Action Plan saying that it contains no evaluation of harm reduction measures. Throughout 2007, Austria maintained its lead role within the Central Asian Border Security Initiative (CABSI) and the Vienna Initiative on Central Asia (VICA). Vienna is the seat of the UN’s drug assistance agency, the United Nations Office for Drugs and Crime (UNODC). Austria contributed EUR 550,000 (\$790,000) to this organization in 2007. In past years, Austria has been working with the UNODC, the EU, and Iran to establish border control checkpoints along the Afghan-Iranian border in order to prevent drug trafficking, particularly in opiates. Within the UNODC, Austria also participates in crop monitoring and alternative development plans in Peru, Bolivia, Columbia, and Honduras.

Law Enforcement Efforts. Comprehensive seizure statistics for the previous year show an increase in seizures of cannabis, amphetamines, LSD, and psychotropic substances, and a decrease in Ecstasy, cocaine, and heroin. Experts stress that the degree of purity and concentration of Ecstasy, speed, and other illegal substances has become increasingly volatile, representing a growing risk factor. This is due, in large part, to the advanced technology used in drug laboratories. The labs use precursors, such as acetic anhydride and potassium permanganate, to produce illicit drugs. The latest drug report from the Interior Ministry states that Austria’s Precursor Monitoring Unit dealt with 157 cases in relation to precursors and clandestine drug laboratories—which represent a hardly noticeable decrease of 4.27 percent—compared to 164 cases in 2005. In 2007, two illegal drug laboratories were raided in Austria. A special training course on dismantling drug labs was held in cooperation with EUROPOL. The total street value of illicit drugs remained largely unchanged. One gram of cannabis sold for EUR 7.00 (\$10); one gram of heroin for EUR 80.00 (\$113); and one gram of cocaine for EUR 90.00 (\$127). Amphetamines sold for EUR 20.00 (\$28) per gram and LSD for EUR 30.00 (\$43) per gram.

Corruption. Austria has been a party to the OECD anti-bribery convention since 1999 and to the UN Corruption Convention since January 2006. The GOA’s public corruption laws recognize and punish the abuse of power by a public official. An amendment expected to become effective January 1, 2008 will substantially increase penalties for bribery and abuse of office offenses. As of fall 2007, there were no corruption cases pending involving bribery of foreign public officials. In October 2007, a court found a senior Vienna police official guilty of minor bribery charges, which are not drug related. As a matter of government policy, the GOA does not encourage or facilitate illicit production or distribution of narcotic or psychotropic drugs or other controlled substances, or the laundering of proceeds from illegal drug transactions.

Agreements and Treaties. Austria is a party to the 1988 UN Drug Convention, the 1961 Single Convention on Narcotic Drugs and its 1972 Protocol, and the 1971 UN Convention on Psychotropic Substances. Austria is a party to the UN Convention Against Transnational Organized

Crime and its Protocol against Trafficking in Persons. An extradition treaty and mutual legal assistance treaty are in force between the U.S. and Austria.

Cultivation. Production of illicit drugs in Austria continued to be marginal in 2007. The Interior Ministry's annual report on drug-related crime noted a rise in private, indoor-grown, high-quality cannabis. Austria recorded no domestic cultivation of coca or opium in 2007.

Drug Flow/Transit. The Interior Ministry's drug report stresses that Austria is not a source country for illicit drugs, but remains a transit country. According to DEA's quarterly trafficking report, illicit drug trade by Austrian nationals is negligible. Foreign criminal groups (e.g. Turks, Russians, Albanians, Bulgarians, and citizens of the former Yugoslavia) carry out organized drug trafficking in Austria. The Balkan route is a particularly problematic entrance into the country. In addition to opiates, 90 percent of cocaine enters Austria by the Balkan Route. The illicit trade increasingly relies on Central and East European airports, including Vienna's Schwechat International Airport. Austrian authorities note that smuggling cocaine via luggage is on the decline, while body-carry and parcel shipments are on the rise. A continuing trend in Austria is for South African narcotics smugglers to use Caucasian women from former Soviet-bloc countries to smuggle drugs into Austria. The trafficking of Ecstasy products decreased slightly from previous years. However, GOA reports a noticeable increase of Austria being used as a transit country for Ecstasy coming from the Netherlands to the Balkans. Illicit trade in amphetamines and trading in cocaine increased. Criminal groups from Poland and Hungary were primarily responsible for this trade.

Domestic Programs/Demand Reduction. Austrian authorities and the public generally view drug addiction as a disease rather than a crime. This is reflected in relatively liberal drug legislation and in court decisions. The government remains committed to measures to prevent the social marginalization of drug addicts. Federal guidelines ensure minimum quality standards for drug treatment facilities. GOA's demand reduction program emphasizes primary prevention, drug treatment, counseling, and harm reduction measures, such as needle exchange programs. Ongoing challenges in demand reduction are the need for psychological care for drug victims and greater attention to older victims and immigrants.

Primary intervention starts at the pre-school level and continues through secondary school, apprenticeship institutions, and out-of-school youth programs. The government and local authorities routinely sponsor educational campaigns both within and outside of the classroom. Overall, youths in danger of addiction are primary targets of new treatment and care policies. Austria has syringe exchange programs in place for HIV and hepatitis prevention. Hepatitis B and C is commonplace among intravenous drug users at 59 percent. Policies toward greater diversification in substitution treatment (methadone, prolonged-action morphine, and buprenorphine) continued. Austria currently has approximately 8,000 people in rehabilitation programs. The government, however, remains skeptical regarding heroin substitution programs, arguing that there are better solutions.

IV. U.S. Policy Initiatives and Programs

Bilateral Cooperation. Cooperation between Austrian and U.S. authorities continued to be excellent in 2007. Several bilateral efforts exemplified this cooperation, including DEA support of Austria's Drug Policing Balkans initiative. Austrian Interior Ministry officials continued to consult the FBI, DEA, and DHS on how to update criminal investigation structures. In October 2007, the U.S. Embassy's LEGAT FBI Attaché spoke at a gathering of top-level Austrian and international security experts in Salzburg. Also in October 2007, Austrian Interior Minister, Guenther Platter, traveled to the U.S. to discuss, inter alia, drug trafficking and other forms of organized crime with USG experts. The U.S. Embassy also regularly sponsors speaking tours of U.S. counternarcotics experts in Austria.

The Road Ahead. The U.S. will continue to support Austrian efforts to create more effective tools for law enforcement. The U.S. will work closely with Austria within the framework of U.S.-EU initiatives, the UN, and the OSCE. The U.S. priority will remain the promotion of a better understanding of U.S. drug policy among Austrian officials.

Azerbaijan

I. Summary

Azerbaijan is located along a drug transit route running from Afghanistan and Central Asia to Western Europe, and from Iran to Russia and Western Europe. Domestic consumption and cultivation of narcotics as well as seizures have increased since 2006-2007. The United States has funded counternarcotics assistance to Azerbaijan through the FREEDOM Support Act since 2002. Azerbaijan is a party to the 1988 UN Drug Convention.

II. Status of Country

Azerbaijan's main narcotics problem is the transit of drugs through its territory, but domestic consumption is growing. Azerbaijan emerged as a narcotics transit route in the 1990s because of the disruption of the "Balkan Route" due to the wars in and among the countries of the former Yugoslavia. According to the Government of Azerbaijan (GOAJ), the majority of narcotics transiting Azerbaijan originates in Afghanistan and follows one of four primary routes to Western Europe and to Russia. Azerbaijan shares a 380 mile (611 km) frontier with Iran, and its border control forces are insufficiently trained and equipped to patrol it effectively. Iranian and other traffickers are exploiting this situation. The most widely abused drugs in Azerbaijan are opiates—especially heroin—licit medicines, hemp, Ecstasy, hashish, cocaine and LSD. Domestic consumption continues to grow with the official GOAJ estimate of drug addicts reaching 18,000-20,000 persons. Unofficial figures are estimated at approximately 180,000 to 200,000, the majority of which is heroin addicts. Students are thought to be a large share of total drug abusers at 30-35 percent. The majority of heroin users is concentrated in major cities and in the Lankaran District (64.6 percent), which borders Iran. Drug use among young women has been rising.

II. Country Actions Against Drugs in 2007

Policy Initiatives. The GOAJ continued to refine its strategy to combat drug transit and usage in Azerbaijan. The GOAJ bolstered its ability to collect and analyze drug-related intelligence, resulting in more productive investigations against narcotics traffickers. The GOAJ assumed the chairmanship of GUAM (Georgia-Ukraine-Azerbaijan-Moldova) in 2007 and has pushed sharing of counternarcotics information through the GUAM countries Virtual Law Enforcement Center (VLEC) in Baku. The VLEC was established with USG assistance. The center provides an encrypted information system that allows member states' law-enforcement agencies to share information and coordinate their efforts against terrorism, narcotics trafficking, small arms, and trafficking in persons. The extent to which information is shared among GUAM member states through the VLEC appears limited. In 2007 the Drug Enforcement Agency (DEA) increased its cooperation with Azerbaijan's Ministry of Internal Affairs and is developing strategies to further strengthen regional cooperation.

Law Enforcement Efforts. According to Ministry of Internal Affairs (MIA) information from January-October 2007, the MIA confiscated 107.2 kg of opium, 121 kg of marijuana, 67.6 kg of hashish, 58 kg of heroin and 1.1 grams of cocaine. The MIA statistics report that 95.3 percent of drug related crimes were solved. The MIA reported that one in seven crimes in Azerbaijan was related to the illegal trade in narcotics. During the reporting period, there was a 6.7 percent increase in crimes related to the illegal trafficking of narcotics and an 11.4 percent increase in crimes related to the sale of narcotics. Of the 1,659 people who were prosecuted for drug-related crimes in Azerbaijan, 95.5 percent were described as able bodied, unemployed people who were not in

school, 28.8 percent had a criminal record, 3.6 percent were women and 0.18 percent were underage children.

Corruption. As a matter of government policy, Azerbaijan does not encourage or facilitate illicit production or distribution of narcotic or psychotropic drugs or other controlled substances, or the laundering of proceeds from illegal drug transactions; however, corruption remains a significant problem in Azerbaijan and permeates the entire society. Several Azerbaijani prosecutors have attended DOJ-sponsored training courses on investigating trans-border crimes, implementing the Azerbaijani criminal code, and developing courtroom skills such as preparing courtroom evidence and cross examining witnesses. These broad-based skills may aid in the prosecution of drug-related cases and limit the scope of corruption.

Agreements and Treaties. Azerbaijan is a party to the 1988 UN Drug Convention, the 1971 UN Convention on Psychotropic Substances, and the 1961 UN Single Convention as amended by its 1972 Protocol. Azerbaijan also is a party to the UN Convention against Corruption, and to the UN Convention against Transnational Organized Crime and its protocols against trafficking in persons, migrant smuggling and illegal manufacturing and trafficking in firearms.

Cultivation and Production. Azerbaijan's problem with narcotics largely stems from its role as a transit state, rather than as a significant drug cultivation site. Cannabis and poppy are cultivated illegally, mostly in southern Azerbaijan, but to a modest extent.

Drug Flow/Transit. Opiates originating in Afghanistan transit to Azerbaijan from Iran, or from Central Asia across the Caspian Sea. Drugs are also smuggled through Azerbaijan to Russia, then on to Central and Western Europe. Azerbaijan cooperates with Black Sea and Caspian Sea littoral states in tracking and interdicting narcotics shipments, especially morphine base and heroin. Caspian Sea cooperation includes efforts to interdict narcotics transported across the Caspian Sea by ferry. Law enforcement officials report that they have received good cooperation from Russia.

Domestic Programs. In 2007, Azerbaijan continued the anti-narcotics public service announcements begun in the summer of 2006, about the dangers of drug usage. The advertisements were aimed at a younger audience and were displayed in downtown Baku, in kiosks and on billboards.

IV. U.S. Policy Initiatives and Programs.

Bilateral Cooperation. In 2007, the U.S. Export Control and Related Border Security (EXBS) office continued to assist the Azerbaijan State Border Service (SBS) and the State Customs Committee (SCC). EXBS training and assistance efforts, while aimed at the nonproliferation of weapons of mass destruction and their delivery systems, directly enhance Azerbaijan's ability to control its borders and to interdict all contraband, including narcotics. During 2007, EXBS sponsored border control and management courses for the SBS and SCC officers. Some of these courses provided participants with real-time, hands-on inspections and border control tactics at sea and in the field. Others improved the Border Guard's control of Azerbaijan's southern border, as well as the ability of SCC officers to detect contraband. The U.S. donation of search tools and related equipment improved the Customs Contraband Teams' detection capabilities. A 2006 U.S. Customs and Border Protection assessment of Border Guard operations on the Iranian border prioritized the direction of U.S. assistance. The U.S. contribution of fencing, and construction materials to rebuild watchtowers, and vehicles significantly enhanced the Border Guards' ability to hamper illegal penetrations of Azerbaijan's southern border. During 2006, DTRA and EXBS helped equip a maritime base near Azerbaijan's southern border in Astara. The base will host two patrol boats and two fast response boats which were delivered in early 2007. The facility will also be used for extended patrols by larger vessels from Baku. In August 2007, the Department of Justice International Criminal Investigative Training Assistance Program (DOJ/ICITAP) provided

a three-week high-risk entry course with mass spectrometer analysis and drug training. This capacity has already been put into use by the Minister of Internal Affairs, the Ministry of Justice and the Ministry of Health. A Customs Mutual Assistance Agreement is now in place.

The Road Ahead. The U.S. and Azerbaijan will continue to expand their efforts to conduct law enforcement assistance programs in Azerbaijan. While our assistance programs in Azerbaijan proper are strong, we have only a small window into what is happening in the Azerbaijani exclave of Nakhchivan or into activities in Nagorno Karabakh and the occupied territories. The increase in government revenues from the opening of the Baku-Tbilisi-Ceyhan oil pipeline has resulted in a significant inflow of cash into a developing economy with a high number of unemployed and underemployed young people; Azerbaijan's increasing wealth might well lead to increasing drug consumption under these circumstances. There are signs that an increased proportion of the budget of the Ministry of Internal Affairs is going into counternarcotics operations and seizures. Border control efforts have resulted in a few violent confrontations and increased casualties amongst security personnel and drug traffickers.

Belarus

I. Summary

Belarus continues to grow in importance as a drug-transit country and local drug use and drug-related crime rates continue to increase. Belarus does not mass-produce drugs for export, though it may be a source of precursor chemicals. The domestic drug market has shifted in recent years from plant-based narcotics to synthetic drugs. Illegal methadone use has increased and has begun to displace heroin. With help from other governments and NGOs, Belarus is improving its capabilities and legal framework to combat drug abuse and trafficking. However, corruption, lack of resources, and shortages of equipment continue to hinder progress. Belarus cooperates closely with the joint UNDP-European Union program BUMAD (Belarus, Ukraine, Moldova Anti-Drug Program), which works to reduce trafficking of drugs into the European Union and to bring those countries' drug policies in line with European standards. The program, which launched the final stage of its three-part project in February, seeks to develop systems of prevention and monitoring, improve the legal framework, and provide training and equipment. Belarus is a party to the 1988 UN Drug Convention.

II. Status of Country

Because of its porous borders and good transportation infrastructure, Belarus is increasingly used as a transit point for drug traffic. Belarus' customs union with Russia and the resultant lack of border controls between those two countries make drug transit easier. The potential loosening of customs controls among members of the Eurasian Economic Community (Belarus, Russia, Kazakhstan, Kyrgyzstan Republic, Tajikistan, and Uzbekistan) could make the problem worse. There is no evidence of large-scale drug production in Belarus though synthetic drug production is growing. According to law enforcement officials in neighboring countries, Belarus is a source of precursor chemicals.

III. Country Actions Against Drugs in 2007

Policy Initiatives. While drug production and cultivation are not major problems for Belarus, drug abuse prevention, treatment, and transit issues must be addressed before Belarus will be in full compliance with the 1988 UN Drug Convention. In 2004, BUMAD presented the Belarusian government with a series of recommendations to bring the country's legal framework into full compliance with drug-related UN conventions. Though the government did implement many of the suggestions, several remain outstanding. Authorities still lack sufficient funding and training, and need to improve treatment, rehabilitation and information collection practices. Last year, the Belarusian government incorporated drug abuse prevention and rehabilitation into its overall national 2006-2010 Anti-Crime Program, under which the Committee for State Security (BKGB), the State Customs Committee, and the Ministries of the Interior, Health, and Foreign Affairs will conduct their own programs. While interagency rivalry inhibits cooperation, Belarus has made some strides over the past year in restructuring government agencies to enhance information gathering on narcotics transit and distribution. To better coordinate activities, authorities have approved an order to establish a BUMAD-supported National Drug Observatory at the Grodno State Medical University to act as a clearinghouse for drug-related information gathering efforts for all 19 government agencies involved in counternarcotics work or that monitor and report on national drug trends. While the authorities have approved the plan, they have yet to procure funding.

The Belarusian parliament is currently considering draft legislation to stiffen punishment for trade in narcotics and to monitor more strictly the importation and sale of precursor chemicals. Measures include criminalizing attempts to sow and grow plants and mushrooms that contain narcotic substances, increasing penalties for large-scale sales of narcotics, and increasing sentences for sales of illicit drugs at educational, military, and healthcare institutions. The law also will create a new class of “especially serious” drugs that will carry a stricter sentence than currently mandated. Parliament has passed this draft in its first reading, but it has not yet been passed into law.

Belarus has taken steps to increase border security. Border authorities are currently working on a joint project with the EC and UNDP called the Bombel Program, designed to raise Belarusian border management to EU standards. Phase one was completed this year. It focused on increasing border security through training for border guards in EU standard practices, continued development of an automated passport system, and modernization of the Belarusian Border Troops’ dog breeding center. Phase two, currently under way, focuses on improving migration control. Last year, the CIS Council of Border Troops’ Commanders established a common database for coordinating border security, and Belarus signed commitments with other Collective Security Treaty Organization member states for future joint counternarcotics activities.

Law Enforcement Efforts. According to official statistics, over 9,000 people have been convicted for drug-related crimes during the last three years, 41 percent of whom were under the age of 25. As of mid-2007, there were 2,281 people imprisoned for drug-related crimes, 444 of whom were women. Meanwhile, authorities seized over 500 kg of drugs so far this year. Street prices for most drugs have leveled off during the past year, though the price of ecstasy rose from \$15 to \$20 per dose, and the price of amphetamines rose from \$25 to \$30 per gram. In a report presented in September 2006, the State Border Troops’ Committee conceded that official seizure figures do not reflect the reality of the problem. Government officials admit that enforcement efforts suffer from insufficient communication and coordination and from inter-agency rivalries. Authorities in the Gomel region destroyed thirty large hemp plantations during the first half of 2007, but they acknowledge that the area in the Chernobyl-evacuated south-east corner of the country is difficult to monitor. Police discovered two amphetamine labs in Minsk and one in Vitebsk. Illicit use of diverted methadone has increased dramatically in recent years, with seizures increasing 14-fold in the past eight years. Drugs seized from January 1 to July 1 (in kg) are as follows: Poppy Straw and Marijuana (510); Raw Opium (30.4); Heroin (0.1); Amphetamine/Methamphetamine (2.1); Acetylated Opium (liquid heroin) (3.3); Hashish (3.7); Cocaine (0.2); LSD and other hallucinogens (0.3); Methadone (0.2). During the first ten months of 2007, The Ministry of Internal Affairs registered 3,712 crimes relating to drug production, trafficking, and usage.

Corruption. As a matter of government policy, Belarus does not encourage or facilitate illicit production or distribution of narcotic or psychotropic drugs or other controlled substances, or the laundering of proceeds from illegal drug transactions. No senior officials of the government are known to engage in, encourage, or facilitate the illicit production or distribution of such drugs, or the laundering of proceeds from illegal drug transactions. In July 2006, President Lukashenko signed an anticorruption law to comply with the Council of Europe’s 1999 Criminal Law Convention on Corruption, which Belarus ratified in 2004. Belarus also ratified the Council of Europe’s 1999 Civil Law Convention on Corruption in December 2005, and is considering a series of corresponding amendments on corruption. In July, Lukashenko issued an edict calling for the formation of special anti-corruption and anti-organized crime departments in the KGB, prosecutor’s offices, and police stations. Nevertheless, corruption remains a serious problem among border and customs officials and makes interdiction of narcotics difficult.

Agreements and Treaties. Belarus is a party to the following UN conventions: the 1961 UN Single Convention as amended by the 1972 Protocol, the 1971 UN Convention on Psychotropic Substances, the 1988 UN Drug Convention, the UN Convention against Corruption, and the UN

Convention against Transnational Organized Crime and its protocols against migrant smuggling, trafficking in persons and manufacturing and trafficking in illegal firearms. Belarus is also a member of the Collective Security Treaty Organization (CSTO) with Armenia, Kazakhstan, Kyrgyzstan, Tajikistan, Russia, and Uzbekistan, and conducts joint counternarcotics operations with those countries. In May, Belarus signed an agreement with Latvia outlining a plan to create a legal framework for the exchange of information, experience, research findings, and experts to fight cross-border crime. In 2005, President Lukashenko issued an edict that greatly restricted all foreign technical assistance, making it extremely difficult to introduce and utilize international aid in Belarus. There have also been attempts by the Belarusian government to tax foreign aid, despite international agreements. These problems have slowed the implementation of international assistance programs.

Cultivation/Production. There is no confirmed widespread illicit drug cultivation or production in Belarus. Conviction for growing narcotic plants for the purpose of selling can result in prison sentences of as long as 15 years. Nevertheless, some cultivation and production has been detected. Precursor chemicals continue to be imported in large volumes, but the current legal structure makes it difficult to prevent their distribution. New legislation currently debated in Parliament will require proof of purpose and destination for all such chemicals entering the country. There also has been a significant increase in poppy seed imports used for extraction of opium. Due to increased demand, price per kilo has risen from \$3 to \$35. As a result, authorities are considering restricting importation of poppy seeds. Police have reportedly discovered eight illicit methadone production labs in 2007, indicating a changing trend from importation to local production. Currently in Belarus, 1,990 entities have licenses for manufacturing and storage of precursors and 15,000 employees have access to the substances.

Drug Flow/Transit. According to the Ministry of Internal Affairs, heroin enters Belarus from Afghanistan via Central Asia and Russia. Poppy straw, opium, and marijuana enter through Ukraine; ecstasy and amphetamines from Poland and Lithuania; and methadone and 3-methylphenethyl from Russia. In February, the State Border Troops Committee acknowledged increased drug smuggling activities along the Ukrainian border, and admitted that the border control infrastructure there is particularly weak. In October, the Committee announced plans to tighten security there. Officials stated that it is the only border where arms are frequently needed to stop smugglers. According to their customs union agreement, Belarusian border guards are not deployed on the border with Russia, which is policed by Russian forces. Over 22 million persons and 7 million vehicles cross Belarusian borders annually. According to official sources, customs officers currently inspect only five percent of all inbound freight, and border guards often lack the training and equipment to conduct effective searches. In an effort to address these problems, Belarus has been working with BUMAD and Bombel Programs to obtain necessary training and equipment.

Demand Reduction. Belarusian authorities have begun to recognize the growing domestic demand problem, particularly among young people. In March, the Ministry of Health's chief addiction officer Vladimir Maksimchuk announced that the number of registered drug users in the country increased fivefold over the past ten years, to 6,427, but acknowledged that the actual number of users was much higher. Oleg Pekarsky, the head of the Interior Ministry's Department for Drug Control and Prevention of Human Trafficking in February estimated the number to be as high as 60,000. Drug use is illegal and highly stigmatized in society. Drug addicts often avoid seeking treatment, fearing adverse consequences at work, school, and in society if their addiction becomes known. Prevention programs in schools remain under-funded. In February 2005, BUMAD and the GOB launched Minsk-based counternarcotics youth information campaign, "You and Me against Drugs," but the program ended later that year. BUMAD sponsored a Belarusian chapter of the NGO Mothers Against Drugs (MAD), but the government withdrew its registration, and all MAD offices closed in 2006. The government generally treats drug addicts in psychiatric hospitals, either

as a result of court remand or self-enrollment, or in prisons and emphasizes detoxification and stabilization over rehabilitation. In September, the Ministry of Health opened a methadone substitution clinic in Gomel. The program concentrates on HIV-positive drug users and currently has seven people enrolled. The ministry plans to expand the group to 15, and to open an additional center in Minsk in 2008, but there is currently no legislation calling for the expansion of this or any other rehabilitation programs. The government runs only two detoxification centers in Belarus—one in Grodno and one in Minsk—but they offer only three-month programs. There are several small-scale NGO-run rehabilitation centers in various areas of Belarus.

IV. U.S. Policy Initiatives and Programs

Bilateral Cooperation. The USG has not provided counternarcotics assistance to the GOB since February 1997. In 2005, President Lukashenko issued an edict that greatly restricted all foreign technical assistance, making it extremely difficult to introduce and utilize international aid in Belarus. There have also been attempts by the Belarusian government to tax foreign aid, despite international agreements. These problems have slowed the implementation of international assistance programs. For example, authorities delayed registration of the second stage of BUMAD's work and consequently postponed the launch of BUMAD-sponsored programs for legal assistance, border control, drug intelligence, community policing, drug observatories, and NGO networking. Since BUMAD's 2006 regional seminar in Minsk where Belarusian Foreign Minister Sergey Martynov acknowledged the need for more outside aid, the organization has reported that authorities have been more responsive to foreign law-enforcement assistance programs.

The Road Ahead. The USG will continue to encourage Belarusian authorities to enforce their counternarcotics laws.

Belgium

I. Summary

Belgium is not a major market for illicit drugs nor is it a major producer of illicit drugs or chemical precursors used for the production of illicit drugs. However, Belgium is a crucial transit point for a variety of illegal drugs, most significantly, cocaine and heroin. In the past few years Belgium has been a significant supplier of Ecstasy to the U.S. and other parts of the world, but in recent years, due to concentrated police efforts and a decrease in the social trend of Ecstasy consumption, production and trafficking of Ecstasy have been reduced greatly. As a result of Belgium's geographic location, efficient transportation networks and access to two major ports, (Antwerp, Belgium and Rotterdam, the Netherlands) it plays a significant role in the transshipment of cocaine from South America to Europe. Methods of shipment vary but most drugs seized have been in cargo freight and while being moved by couriers using air transportation. The majority of couriers—73 percent this past year—are of African descent and have been coming through West Africa and then arriving in Belgium by plane or train; this is a major change from previous years. This signifies that Colombian drug cartels are stockpiling the cocaine in Africa and using their established African operations to move the drugs to Europe. As has been the case for the past 3 years, usage and trafficking of cocaine in Belgium continued to increase in 2007. In 2005, with respect to the Zaventem Airport, 343 kg of cocaine were seized; this rose to 681 kg in 2006. To date in 2007 (September), cocaine seizures have already surpassed 600 kg. On the other hand, Ecstasy and amphetamine seizures have been decreasing over the past three years, indicating a decline in the overall usage and trafficking of these drugs.

Heroin seizures are up in comparison with the past several years, but the amount of the increase is too low to draw any definite conclusions. Belgian Federal Police and DEA officials estimate approximately 30 tons of heroin pass through the Benelux countries en route to the Netherlands and the U.K. Belgium consumes around 4 tons of heroin, which is mostly traceable to drug tourism from neighboring countries. Officials say it is difficult to have an impact on the heroin trade because of the difficulty in penetrating the Turkish trafficking groups.

Belgium is a preferred transit point for trafficking drugs because of its central location and efficient transportation system. Belgian authorities take a proactive approach in interdicting drug shipments and cooperate with the U.S. and other foreign countries to help uncover distribution rings. However, at times fighting the drug trafficking problem in Belgium is difficult because of a lack of funds and insufficient man power in the police force. Despite this, Belgian authorities continue to combat the production and trafficking of illicit drugs within their borders, using methods like canine checks and aerial surveillance.

Within the past year, Belgium has also become an important transshipment point for illegal ephedrine, used as a chemical precursor to methamphetamine, destined for the United States via Mexico. It is generally neither manufactured in, nor destined for Belgium. In instances where ephedrine shipping is discovered the Belgians cooperate by executing controlled deliveries to the destinations. This evidence of increased ephedrine shipping is seen throughout Europe due to stricter laws in the U.S. on methamphetamines.

Belgium is party to the 1988 UN Drug Convention, and is part of the Dublin Group of countries concerned with combating narcotics trafficking.

II. Status of Country

Belgium produces amphetamine type stimulants and Ecstasy as well as cannabis and hashish. Seizures of amphetamine type stimulants and Ecstasy are down as compared to the last several years suggesting a decrease in production. Additionally, Belgium's production of these synthetic drugs is relatively small compared to the Netherlands, which historically produced four times the amount of Ecstasy. Belgium still remains a key transit point for illicit drugs, mainly cocaine and heroin, bound for The Netherlands, the United Kingdom and other points in Western Europe. However, in the majority of large cocaine shipments, the end destination is the Netherlands, where Colombian groups continue to dominate drug trafficking. In the past, Israeli groups controlled most of the Ecstasy production and shipping to the United States, but these organized crime groups have been disrupted by enforcement measures and their influence has diminished.

Turkish groups control most of the heroin trafficked in Belgium. This heroin is principally shipped through Belgium and the Netherlands to the United Kingdom. Increased seizures indicate the growing demand in Belgium. Recently, Belgian authorities arrested two Turks with approximately 300 kg of heroin, alone which surpasses last year's total amount of heroin seized in Belgium. Authorities find it difficult to penetrate Turkish trafficking groups responsible for heroin shipping and trafficking because of the language barrier and Turkish criminal groups' reluctance to work with non-Turkish ethnicities.

Hashish and cannabis remain the most widely distributed and used illicit drugs in Belgium. Although the bulk of the cannabis consumed in Belgium is produced in Morocco, domestic cultivation continues to increase.

Illegal ephedrine shipping through Belgium is on the rise. The country manufactures ephedrine to a very limited extent, but it is not a final destination for illegal shipments. The ephedrine market is mainly controlled by Mexicans who purchase both legal (i.e., cold medicine, dietary supplements) and illegal ephedrine, and ship it to Mexico, where it is used to produce methamphetamine for distribution in the United States. Since most forms of ephedrine are strictly regulated in the United States, Belgium and other Western European countries have seen an increase in transshipments of ephedrine and other methamphetamine precursors.

III. Country Actions Against Drugs in 2007

Policy Initiatives. Since 2004 Belgium has implemented a National Security Plan focused on reducing drug trafficking within the country. This National Security Plan, for 2004-2007, cites cocaine and heroin as the top, large-scale drug trafficking problems. The Plan concentrates on reducing cocaine shipments and clandestine drug laboratories, breaking up criminal organizations active in the distribution of narcotics, and halting the rise of drug tourism to Belgium, which has become an increasingly common phenomenon in the larger cities. Due to the recent escalation of regional governmental disputes, a replacement governing body has not been established in Belgium and steps to draft another security plan have not been completed. Also, whether or not the National Security Plan of 2004-2007 actually fulfilled its purpose or reached the desired outcome is unknown because a formal assessment has not yet been made.

Belgium is a major backer for COSPOL (Comprehensive Operational Strategic Planning for the Police), which is a new methodology for multinational police cooperation. It is a program that was created for the Police Chiefs Task Force functioning under direction of the EU. At the most recent COSPOL meeting, Belgian and other EU Police Officials discussed plans to share information in order to create a database of places indicating where illicit lab equipment and drug producing chemicals are shipped and manufactured. The database also includes information on the trade in drug related chemicals and laboratory materials.

Belgium also participates in “Drugwatch”, a non-profit information network and advocacy organization that provides policymakers, media and the public with current narcotics information. In cooperation with “Drugwatch”, Belgium is participating in a program focused on monitoring the internet to identify narcotic sale and production in Belgium.

The Federal Prosecutor’s Office, established in 2002, works to centralize and facilitate mutual legal assistance requests on drug trafficking investigations and prosecutions. Federal authorities have also noted a sharp rise in the establishment of cannabis plantations.

Law Enforcement Efforts. Belgian law enforcement authorities actively investigate individuals and organizations involved in illegal narcotics trafficking. In keeping with Belgium’s drug control strategy, efforts are focused on combating synthetic drugs, heroin and cocaine, and more recently, cannabis. Belgian authorities continue to cooperate closely and effectively with DEA officials stationed in Brussels. At Brussels’ Zaventem International Airport, non-uniformed personnel of Belgium’s police force search for drug couriers and have become increasingly proficient. This year, Federal Officers have detained 116 couriers and 46 parcels carrying drugs. Additionally, the National Security Plan for 2004-2007 utilizes canine and aerial apprehension strategies on the local and federal levels to help fight illicit drug production and shipment in Belgium. The Canine Support Service (DSCH) has trained four dog teams to search for drugs. Dog teams are used mostly in airports and train stations, while the Aerial Support Service (DSAS) has made a concerted effort to increase the number of hours in the sky in an attempt to detect drug laboratories across the nation. A new initiative was taken this past year to set up a database for European airports. It will be used to transfer narcotic related information to airports throughout Europe in order to better cooperate with foreign police forces and governments.

In the past year (2007), Belgian authorities have discovered six clandestine laboratories, three used for Ecstasy production, two for amphetamines and one for LSD. These seizures bring the number of synthetic drug laboratories seized since 1999 to 62. In 2007 to date, Belgian authorities seized approximately 2,462 kg of cocaine, 522 kg of heroin, 406,356 MDMA/ Ecstasy pills, 252 kg of amphetamines, 58,503 kg of hashish/marijuana/cannabis, and 1,110 kg of khat.

Corruption. The Belgian government does not encourage nor does it facilitate illicit production or distribution of narcotic or psychotropic drugs or other controlled substances, or the laundering of proceeds from illegal drug transactions. Money laundering has been illegal in Belgium since 1993, and the country’s Financial Intelligence Unit (FIU) (CTIF-CFI) is continually active in efforts to investigate money laundering. No senior official of the Belgian government engages in, encourages or facilitates the illicit production or distribution of such drugs or substances, or the laundering of proceeds from illegal drug transactions. Corruption is not judged a problem within the narcotics units of the law enforcement agencies. Legal measures exist to combat and punish corruption.

Agreements and Treaties. Belgium is party to the 1988 UN Drug Convention, the 1961 UN Single Convention as amended by the 1972 Protocol, and the 1971 UN Convention on Psychotropic Substances. Belgium also is a party to the UN Convention against Corruption, the UN Convention against Transnational Organized Crime and its protocols against migrant smuggling, trafficking in persons, and illegal manufacturing and trafficking of firearms. The United States and Belgium have an extradition treaty and a Mutual Legal Assistance treaty (MLAT). Under a bilateral agreement with the United States as part of the U.S. Container Security Initiative (CSI), U.S. Customs officials are stationed at the Port of Antwerp to serve as observers and advisors to Belgian Customs inspectors on U.S.-bound sea freight shipments. Belgium also has an MOU with the USG to carry U.S. Coast Guard Law Enforcement Detachments (LEDET) on Belgium Navy vessels in the Caribbean Sea.

Cultivation/Production. Belgium’s role as a transit point for major drug shipments, particularly Ecstasy and cocaine, is more significant than its own production of illegal drugs. Nevertheless,

Belgian authorities believe domestic Ecstasy and cannabis production is on the rise. In Europe, only the Netherlands exports more Ecstasy for use in the United States than Belgium does. Canada is the primary source of Ecstasy for the United States. Cultivation of marijuana increasingly involves elaborate, large-scale operations in Belgium. Within the past year, 188 cannabis plantations, all in Flanders, were shut down, leading to the arrest of over 20 people and the seizure of 101,464 cannabis plants. The police action plan for 2004-2007 includes the fight against illegal commerce of cannabis due to the large-scale plantations discovered in the country. The production of amphetamines does not appear to have abated. Dutch traffickers are involved in Belgium's production of Amphetamine-Type Stimulants (ATS). As Dutch law enforcement pressures mount on producers of Ecstasy and other ATS in the Netherlands, some Dutch producers either look to Belgian producers to meet their supply needs or to establish their own facilities in Belgium.

Drug Flow/Transit. Belgium is an important transit point for illegal drug trafficking in Europe. It has been estimated that about 25 percent of drugs from South America moving through Europe eventually transit Belgium, especially cocaine. These drugs are ultimately shipped to the United Kingdom, the Netherlands, and other points in Western Europe. The port of Antwerp continues to be the one of the most preferred destinations for cocaine imported to Europe. Although the oft-quoted estimate is 16 tons entering the port each year, the actual number is believed to be considerably higher, perhaps as much as 60 MT. The flow of cocaine to Belgium is controlled by Colombian organizations with representatives residing in Africa and in the local region. Antwerp port employees are also documented as being involved in the receipt and off-loading of cocaine upon arrival at the port. This year the number of couriers coming from Africa through Zaventem International Airport has increased significantly, already reaching 116 intercepted. The amount of cocaine seized at the airport makes up one fourth of the total cocaine seized this year. Most of the cocaine originates in South America and transits through either West Africa or South America. The majority of the carriers were of African descent. The other predominant cocaine trafficking groups in Belgium are Colombian, Surinamese, Chilean, Ecuadorian, and Israeli. The Port of Antwerp is also an important transit point for cannabis and hashish. Authorities have noted that the principal shipping method of marijuana has been through DHL parcels destined for the United Kingdom via Belgium. The Netherlands continues to supply both marijuana and hashish to Belgian traffickers. Belgium remains a transit country for heroin destined for the British market. Seizures of the past three years and intelligence indicate that Belgium has also become a secondary distribution and packing center for heroin coming along the Balkan Route. Seized heroin has already reached 522 kg this year compared to last year's 277 kg. Turkish groups dominate the trafficking of heroin in Belgium. The Belgian Federal Police have identified trucks from Turkey (TIR Trucks) as the single largest transportation mechanism for westbound heroin entering Belgium.

Domestic Programs. Belgium has an active drug education program administered by the regional governments (Flanders, Wallonia, and Brussels), which targets the country's youth. These programs include education campaigns, drug hotlines, HIV and hepatitis prevention programs, detoxification programs, and a pilot program for "drug-free" prison sections. Belgium directs its programs at individuals who influence young people versus young people themselves. In general, Belgian society views teachers, coaches, clergy, and other adults as better suited to deliver the counter narcotics message to the target audience because they already are known and respected by young people.

IV. U.S. Policy Initiatives and Programs

Bilateral Cooperation. The United States and Belgium regularly share drug-related information. Counter narcotics officials in the Belgian Federal Police, Federal Prosecutor's Office, and Ministry of Justice are fully engaged with their U.S. counterparts. With the rise in the trafficking of ephedrine in Belgium, the U.S. plans to focus on identifying and prosecuting both suppliers and

shippers of illegal ephedrine before the drug reaches the U.S. Also the United States recently trained and certified several Belgian Federal Officers in clandestine laboratory search and seizure methods.

The Road Ahead. Belgium has always been open to international support to combat illicit drug trafficking and production. The United States looks forward to close cooperation and support from Belgium in drug-related crime.

Bosnia and Herzegovina

I. Summary

Narcotics control capabilities in Bosnia-Herzegovina (“Bosnia”) remain in a formative period and have not kept pace with developments in other areas of law enforcement. Bosnia is still considered primarily a transit country for drug trafficking due to its strategic location along historic Balkan smuggling routes, weak state institutions, lack of personnel in counternarcotics units, and poor cooperation among the responsible authorities. Although the political will to improve narcotics control performance exists among the Bosnian government, faced with ongoing post-war reconstruction issues, it has to date focused limited law enforcement resources on war crimes, terrorism and trafficking in persons and has not developed comprehensive antinarcotics intelligence and enforcement capabilities. Despite better cooperation among law enforcement agencies, gradual improvements in the oversight of the financial sector, and substantial legal reform, the political divisions within the Bosnian government have contributed to poorly coordinated enforcement efforts. Narcotics trade remains an integral part of the activities of foreign and domestic organized crime figures that operate, according to anecdotal evidence, with the tacit acceptance (and sometimes active collusion) of some corrupt public officials. Border controls have improved, but flaws in the regulatory structure and justice system, lack of coordination among police agencies, and a lack of attention by Bosnia’s political leadership mean that measures against narcotics trafficking and related crimes are often substandard. In 2007, Bosnia took some initial steps to set up a state-level body to coordinate the fight against drugs and develop the national counternarcotics strategy mandated by legislation passed in late 2005. In 2007, the Bosnian entity and local law enforcement agencies continued an counternarcotics campaign to raise awareness about the dangers and effects of drugs. Bosnia is making efforts to forge ties with regional and international law enforcement agencies. Bosnia is party to the 1988 UN Drug Convention.

II. Status of Country

Bosnia is not a significant narcotics producer, consumer, or producer of precursor chemicals. Bosnia does occupy a strategic position along the historic Balkan smuggling route between drug production and processing centers in Southwest Asia and markets in Western Europe. Bosnian authorities at the state, entity, cantonal, and municipal levels have been unable to stem the transit of illegal migrants, black market commodities, and narcotics since the conclusion of the 1995 Dayton Peace Accords. Traffickers have capitalized in particular on an ineffective justice system, public sector corruption, and the lack of specialized equipment and training. Bosnia is increasingly becoming a storehouse for drugs, mainly marijuana and heroin. Traffickers “warehouse” drugs in Bosnia, until they can be shipped out to destinations further along the Balkan Route. One of the main routes for drug trafficking starts in Albania, continues through Montenegro, passes through Bosnia to Croatia and Slovenia and then on to Central Europe. Information on domestic consumption is not systematically gathered, but authorities estimate Bosnia has 120,000 drug addicts. Anecdotal evidence and law enforcement officials indicate that demand is steadily increasing. No national drug information system focal point exists, and the collection, processing, and dissemination of drug-related data is neither regulated nor vetted by a state-level regulatory body.

III. Country Actions Against Drugs in 2007

Policy Initiatives. On November 8, 2005, the Bosnian state-level House of Representatives passed legislation designed to address the problem of narcotics trafficking and abuse. Although the state-

level counternarcotics coordination body and national counternarcotics strategy mandated by the legislation were not fully in place as of October 2007, Bosnia took some steps toward this implementation. In February the Ministry of Security formed a Section for Combating Drug Abuse and Precursors. In June a working group for the creation of a national strategy against narcotics held its first meeting, where it created three subgroups on Prevention/Education, Suppression, and Treatment. Bosnia is a state with limited financial resources, but, with USG and EU assistance, it is attempting to build state-level law enforcement institutions to combat narcotics trafficking and organized crime and to achieve compliance with relevant UN conventions. The full deployment of the State Border Police (SBP) and the establishment of the State Investigative and Protection Agency (SIPA) have improved counternarcotics efforts. Telephone hotlines, local press coverage, and public relations efforts have focused public attention on smuggling and black-marketeering.

Law Enforcement Efforts. Counternarcotics efforts have improved but remain inadequate given suspected trafficking levels. Cooperation among law enforcement agencies and prosecutors is primarily informal and ad hoc, and serious legal and bureaucratic obstacles to the effective prosecution of criminals remain. Through September 2007 (latest available statistics), law enforcement agencies in Bosnia-Herzegovina (including the State Investigation and Protection Agency, the State Border Police, Federation Ministry of Interior, Republika Srpska Ministry of Interior and Brcko District Police) have filed 774 criminal reports against 1,284 persons for drug related offenses. These agencies also report having seized 6.8 kg of heroin, 2.7 kg of cocaine, 2.4 kg of amphetamines, 142 kg of marijuana, 6,235 cannabis plants, 5,060 cannabis seeds, 10,280 Ecstasy tablets, 29 grams of methadone, 2,285 tablets of “speed”, and 166 grams of hashish. The State Border Police (SBP), founded in 2000, is now fully operational with 2,199 officers and is responsible for controlling the country’s three international airports, as well as Bosnia’s 55 international border crossings covering 1,551 kilometers. The SBP is considered one of the better border services in Southeast Europe and is one of the few truly multi-ethnic institutions in Bosnia. However, there are still a large number of illegal crossing points, including rural roads and river fords, that the SBP is unable to control. Moreover, many official checkpoints and many crossings remain understaffed. The SIPA, once fully operational, will be a conduit for information and evidence between local and international law enforcement agencies, and will have a leading role in counternarcotics efforts. As of October 2007, SIPA had hired 1,209 of a proposed staff of 1,700.

Cultivation/Production. Bosnia is not a major narcotics cultivator. Officials believe that domestic cultivation is limited to small-scale marijuana crops grown in southern and eastern Bosnia. Bosnia is not a major synthetics narcotics producer or refiner.

Corruption. Bosnia does not have laws that specifically target narcotics-related public sector corruption and has not pursued charges against public officials on narcotics-related offenses. Organized crime, working with a few corrupt government officials according to anecdotal evidence, uses the narcotics trade to generate personal revenue. There is no evidence linking senior government officials to the illicit narcotics trade. As a matter of government policy, Bosnia does not encourage or facilitate illicit production or distribution of narcotic or psychotropic drugs or other controlled substances, or the laundering of proceeds from illegal drug transactions.

Agreements and Treaties. Bosnia is a party to the 1988 UN Drug Convention and is developing bilateral law enforcement ties with neighboring states to combat narcotics trafficking. Bosnia is also party to the 1961 UN Single Convention as amended by the 1972 Protocol, the 1971 UN Convention Against Psychotropic Substances, and the UN Convention Against Transnational Organized Crime and its protocols against migrant smuggling and trafficking in persons. A 1902 extradition treaty between the U.S. and the Kingdom of Serbia applies to Bosnia as a successor state. Bosnia is a party to the UN Convention against Transnational Crime and its protocols against migrant smuggling and trafficking in persons. Bosnia is a party to the UN Convention against Corruption.

Drug Flow/Transit. While most drugs entering Bosnia are being trafficked to destinations in third countries, indigenous organized crime groups are involved in local distribution to the estimated 120,000 drug users in the country. Major heroin and marijuana shipments are believed to transit Bosnia by several well-established overland routes, often in commercial vehicles. Local officials believe that Western Europe is the primary destination for this traffic. Officials believe that the market for designer drugs, especially Ecstasy, in urban areas is rising rapidly. Law enforcement authorities posit that elements from each ethnic group and all major crime “families” are involved in the narcotics trade, often collaborating across ethnic lines. Sales of narcotics are also considered a significant source of revenue used by organized crime groups to finance both legitimate and illegitimate activities. There is mounting evidence of links and conflict among, Bosnian criminal elements and organized crime operations in Russia, Albania, Serbia and Montenegro, Croatia, Austria, Germany, and Italy.

Domestic Programs/Demand Reduction. In Bosnia there are only two methadone therapy centers with a combined capacity to handle about 160 patients. The limited capacity of the country’s psychiatric clinics, also charged with treating drug addicts, is problematic, as the number of addicts and drug-related deaths in the country is rising steadily. It is estimated that between 70 to 80 percent of drug addicts who undergo basic medical treatment are recidivists. The Bosnian government currently pays for the basic medical treatment of drug addicts, but there are no known government programs for reintegrating former addicts into society. Entity and local law enforcement agencies continued an counternarcotics public information campaign that had begun in 2006 with the assistance of the European Police Mission. Law enforcement agencies organized round table discussions and presentations in elementary and high schools about the dangers of drugs. In Sarajevo Canton, police presented re-integration methods for former drug addicts and used official dogs to demonstrate techniques for drug detection. The Viktorija Association conducted counternarcotics campaigns, offered counseling, and provided therapy to recovering drug addicts. The PROI Association maintains a private facility to help drug addicts near Kakanj and expanded its capacity to 20 beds in 2007. During the year PROI presented anti drug messages to students through a drama program in elementary schools throughout Bosnia-Herzegovina. In June PROI organized a race against drugs involving both a fund-raising event and a large counternarcotics abuse demonstration in downtown Sarajevo. With UNICEF support PROI also helped 260 drug addicts receive blood tests to help prevent the spread of HIV/AIDS and Hepatitis.

IV. U.S. Policy Initiatives and Programs

Policy Initiatives. USG policy objectives in Bosnia include reforming the criminal justice system, strengthening state-level law enforcement and judicial institutions, improving the rule of law, depoliticizing the police, improving local governance, and introducing free-market economic initiatives. The USG will continue to work closely with Bosnian authorities and the international community to combat narcotics trafficking and money laundering.

Bilateral Cooperation. The USG’s bilateral law enforcement assistance program continues to emphasize task force training, improved cooperation between law enforcement agencies and prosecutors, and other measures against organized crime, including narcotics trafficking. The Department of Justice’s International Criminal Investigative Training Assistance Program (ICITAP) provided specific counternarcotics training to entity Interior Ministries, SIPA and SBP. The USG Export Control and Border Security (EXBS) program provides equipment and training to law enforcement agencies including the State Border Police (SBP) and the Indirect Taxation Administration (ITA) to stop the import of weapons of mass destruction and dual use items. EXBS Assistance increased SBP and ITA’s ability to detect and interdict contraband, including narcotics. The Overseas Prosecutorial Development Assistance Training (OPDAT) program provides training to judges and prosecutors on organized crime-related matters. The Drug Enforcement

Administration (DEA) in Rome maintains liaisons with its counterparts in Bosnian state and entity level law enforcement organizations. The DEA has also sponsored specific narcotic interdiction training in Bosnia.

The Road Ahead. Strengthening the rule of law, combating organized crime and terrorism, and reforming the judiciary and police in Bosnia remain top USG priorities. The USG will continue to focus its bilateral program on related subjects such as public sector corruption and border controls. The USG will assist Bosnia with the full implementation of the planned national counternarcotics strategy and continue to support police reform. The international community is also working to increase local capacity and to encourage interagency cooperation by mentoring and advising the local law enforcement community.

Bulgaria

I. Summary

Bulgaria is a transit country, as well as a producer of illicit narcotics. Strategically situated on Balkan transit routes, Bulgaria is vulnerable to illegal flows of drugs, people, contraband, and money. Heroin distributed in Europe moves through Bulgaria from Southwest Asia and via the Northern route, while chemicals used for making heroin move through Bulgaria to Turkey and the Middle East. Marijuana and cocaine are also transported through Bulgaria. The Government of Bulgaria (GOB) continued to make incremental progress in improving its law enforcement capabilities and customs services; it closed one illegal drug-producing facility and confiscated the amphetamines being produced there. The Bulgarian authorities also increased their efforts to combat heroin trafficking. Legal and structural reforms in law enforcement have been enacted, although effective implementation remains a challenge. The Bulgarian government has proven cooperative, working with many U.S. agencies, and has reached out to neighboring states to cooperate in interdicting the illegal flow of drugs and persons. Nevertheless, Bulgarian law enforcement agencies, investigators, prosecutors and judges require further assistance to develop the capacity to investigate, prosecute and adjudicate illicit narcotics trafficking cases and other serious crimes effectively. Bulgaria is a party to the 1988 UN Drug Convention.

II. Status of Country

In the past year, Bulgaria continued to be primarily a drug transit country and, to a lesser extent, a producer of narcotics. According to NGOs and international observers, Bulgaria continues to be a source of synthetic drug production, and synthetic drugs have overtaken heroin as the most widely used drugs in Bulgaria. Since 2000, heroin use has declined steadily, largely due to increased societal understanding of risks associated with its intravenous use (e.g., HIV/AIDS). This trend continued in 2007 despite the increase in heroin supply. Synthetics are also used as a substitute for cocaine, which is expensive in Bulgaria. Amphetamines are produced in Bulgaria for the domestic market as well as for export to Turkey and the Middle East. The Government of Bulgaria has emphasized its commitment to combat serious crime including drug trafficking. Despite some progress, including the arrest of a notorious underworld boss and eleven members of his importing and trafficking organization operating in the southeast Black sea coastal area, there were no convictions of major figures involved in drug trafficking, or other serious related crimes such as organized criminal activity. Coordination among government agencies has improved and Bulgaria participated in efforts with international drug enforcement authorities. The Bulgarian government also reached out to neighboring states to cooperate in interdicting the illegal flow of drugs and persons. The lack of financing, inadequate equipment to facilitate narcotics searches, widespread corruption, and a cumbersome judicial procedure continue to hamper counternarcotics efforts.

II. Country Actions Against Drugs in 2007

Policy Initiatives. The Bulgarian government has continued to implement the five-year National Strategy for Drug Control adopted by the Council of Ministers in 2003. In 2004, amendments to the Criminal Code abolished a provision that had decriminalized possession of one-time doses of illegal drugs for personal use. The effectiveness of this legislation has been widely disputed as it extended harsh penalties for drug possession to users as well as producers and distributors. 2006 amendments to the Code reduced punishments for possession, taking into consideration the risk level of the substances. Additional measures included engaging NGOs in counternarcotics partnerships. National programs for drug treatment and prevention have been consistently underfunded.

Law Enforcement Efforts. The Customs Agency under the Ministry of Finance and several specialized police services under the Ministry of Interior, including the Chief Directorate for Combating Organized Crime (GDBOP) and Border Police are engaged in counternarcotics efforts. From January to June 2007, Police seized 82 kg of heroin, 26 kg of cocaine, 2.5 kg of amphetamines, 57 kg of dry and 15 liters of fluid precursor chemicals, 140 kg of cannabis and 293,908 tablets of psychotropic substances. During the year, the Customs Agency seized 977 kg of heroin, 2.5 kg of cocaine, 5 kg of marijuana, 53 kg of opium and 1,863 tablets of psychotropic substances. In 2007, GDBOP closed one illegal amphetamine-producing facility and seized over 100 kg of heroin and 143 kg of amphetamines. Bulgarian authorities shared information and developed joint operations with international law enforcement agencies. During the year, cooperation between GDBOP and its foreign counterparts resulted in the seizure of 160 kg of heroin, 3 kg of cocaine and over 200 kg of amphetamines outside the territory of Bulgaria. GDBOP and prosecutors also worked with foreign counterparts to obtain evidence on the use of offshore corporations and bank accounts by Bulgarian money launderers to hide drug proceeds.

Corruption. Despite some progress, corruption in various forms in the government remains a serious problem. During the year 131 government officials, of them 43 police officers, were dismissed over corruption allegations. From January to October 2007, the Prosecution Service has referred to court indictments against 24 police officers involved in possession, production or distribution of narcotics. Bulgaria is a party to the UN Convention against Corruption.

Agreements and Treaties. Bulgaria is a party to the 1988 UN Drug Convention, the 1961 Single Convention as amended by its 1972 Protocol, the 1971 Convention on Psychotropic Substances and the 1990 Convention on Laundering, Search, Seizure and Confiscation of Proceeds from Crime. Bulgaria is a party to the UN Convention against Transnational Organized Crime and its protocols against trafficking in persons, migrant smuggling and illegal manufacturing and trafficking in firearms. The 1924 U.S.-Bulgarian Extradition Treaty and a 1934 supplementary treaty are in force.

Cultivation and Production. The only illicit drug crop known to be cultivated in Bulgaria is cannabis, primarily for domestic consumption, but the extent of this illicit drug cultivation is not known. Experts ascribe opportunistic cultivation of cannabis to the ready availability of uncultivated land and Bulgaria's receptive climate, particularly in the southwestern part. Cannabis is not trafficked significantly beyond Bulgaria's own borders. Recently, there has been a decrease in the indigenous manufacture of synthetic stimulant products, largely due to the efforts of Bulgarian law enforcement. Illegal laboratories have relocated to Eastern Turkey, Syria, Lebanon, and Armenia in order to be closer to consumers and to reduce risks associated with border crossings.

Drug Flow/Transit. Synthetic drugs, heroin, and cocaine are the main drugs transported through Bulgaria. Heroin from the Golden Crescent in Southwest Asia has traditionally been trafficked to Western Europe on the Balkan route from Turkey. The trend of heroin traffic moving by the more circuitous routes through the Caucasus and Russia to the north and through the Mediterranean to the south is strengthening. Other trafficking routes crossing Bulgaria pass through Serbia, Montenegro, Kosovo and Macedonia. In addition to heroin and synthetic drugs, smaller amounts of marijuana and cocaine also transit through Bulgaria. Sporadic cocaine shipments from South America are transported via boat to the Black Sea and Greece, then on to Western Europe. Precursor chemicals for the production of heroin pass from the Western Balkans through Bulgaria to Turkey and the Middle East. Synthetic drugs produced in Bulgaria are also trafficked through Turkey to markets in Southwest Asia. Principal methods of transport for heroin and synthetics include buses, vans, TIR trucks, and cars, with smaller amounts sent by air. Cocaine is primarily trafficked into Bulgaria by air in small quantities, and in motor vehicles, and by maritime vessel in larger quantities.

Domestic Programs/Demand Reduction. In January 2006, the Government approved a two-year National Program to add methadone maintenance as a heroin treatment option to the national healthcare system. There are three state-run methadone programs, which provide treatment free of charge and four private methadone clinics. All seven methadone programs offer treatment to more than 1000 patients. For drug treatment, there are 35 outpatient units and thirteen inpatient facilities nationwide, two of which are specialized psychiatric clinics for alcoholism and drug addictions. None of these facilities has a separate unit for juvenile patients. The Ministry of Education requires that schools nationwide teach health promotion modules on substance abuse. According to NGOs, the modules have not been effective in discouraging drug abuse. According to the Bulgarian National Center for Addictions (NCA), the number of students in grades 9-12 who reported using drugs at least once remained high and stood at 33.2 percent in 2007. Cannabis remained the most widely used drug, with use of cocaine and amphetamines increasing. The NCA engages in prevention campaigns and provides training seminars on drug abuse for students, post-graduates and other groups, including schoolteachers, social workers and journalists. The NCA operates prevention and education centers in 18 out of Bulgaria's 28 administrative districts. The centers, financially supported by the municipalities, have been consistently under-funded which hampers staff retention. Since 2003, the NCA also serves as a focal point and is co-funded by the EU Monitoring Center for Drug Addictions. After EU accession, the NCA has received adequate resources for prevention campaigns, but the other branches of the system for drug treatment and prevention, particularly at local level, continue to face financial constraints and staffing problems. Three universities provide professional training in drug prevention. Specialized professional training in drug treatment and demand reduction has been provided through programs sponsored by UNODC and the WHO.

IV. U.S. Policy Initiatives and Programs

Bilateral Cooperation. DEA operations for Bulgaria are managed from the U.S. Consulate General in Istanbul. The United States also supports various programs through the State Department and USAID. These programs are implemented by the Department of Justice (DOJ) and the Treasury Department to support the counternarcotics efforts of the Bulgarian legal system. These initiatives address a lack of adequate equipment, the need for improved administration of justice at all levels and insufficient cooperation among Bulgarian enforcement agencies. A DOJ resident legal advisor works with the Bulgarian government on law enforcement issues, including trafficking in drugs and persons, intellectual property, cyber-crime and other issues. A Treasury Department representative supported Bulgarian efforts to investigate and prosecute financial crimes, including money laundering. USAID provides assistance to strengthen Bulgaria's legal framework, enhance the capacity of magistrates and promote anticorruption efforts.

The Road Ahead. The U.S. and Bulgaria will continue to cooperate effectively to improve Bulgaria's capacity to enforce narcotics laws. The U.S. encourages the Bulgarian government over the next year to sustain and increase rates of narcotics seizures, while implementing steps to reduce domestic drug production. It also encourages the Bulgarian government to strengthen interagency cooperation and prosecute cases of high-level corruption and organized crime.

Croatia

I. Summary

Croatia is not a producer of narcotics. However, narcotics smuggling through the Balkans route to Western Europe remains a serious concern to Croatian authorities. Croatian law enforcement bodies cooperate actively with their U.S. and regional counterparts to combat narcotics smuggling. Croatia is a party to the 1988 UN Drug Convention.

According to current statistics, the amount of available narcotics on the Croatian market increased and the kinds of available drugs broadened during the year, resulting in a greater number of addicts. The number of treated persons in 2006 was 7,427 (out of which 2,000 were treated for the first time), an increase from prior years (e.g. 2005—6,668 persons; 2004—5,768 persons). Of the total number of persons treated in 2006, 82 percent were men. Heroin and other opiates are the drugs of choice in Croatia.

II. Status of Country

Croatia shares borders with Slovenia, Serbia, Montenegro, Hungary, and Bosnia and Herzegovina, and has a 1000 km long coastline (4000 km if its 1,001 islands are considered), which presents an attractive target to contraband smugglers seeking to move narcotics into the large European market. Narcotics smuggling continued to increase along the “Balkan Route” destined for European markets, with the majority transiting through Croatia’s land borders.

III. Country Actions Against Drugs in 2007

Policy Initiatives. In December 2005, Croatia adopted a National Strategy for Narcotics Abuse Prevention for 2006-2012, developed with assistance from the European Monitoring Center for Drugs and Drug Addiction (EMCDDA). The Strategy aims to bring demand and supply reduction efforts in line with EU policies and creates a National Information Unit for Drugs to standardize monitoring and the assessment of drug abuse data in order to facilitate data sharing with the EU’s EMCDDA programs. In February 2006, the Government of Croatia (GOC) adopted the Action Plan on Drug Abuse Control for 2006-2009. The goal of the Action Plan is to achieve equal availability of programs throughout the country targeting primarily children, youth and families.

In June 2006, Parliament adopted changes to the Criminal Code, which increased sentences for possession and dealing of illicit drugs. Croatia also instituted changes to the criminal code, increasing penalties for several other narcotics-related offenses. The minimum penalty for narcotics production and dealing was increased from one to three years. The minimum penalty for selling narcotics by organized groups was increased from three to five years. The minimum penalty for incitement or facilitating the use of illegal narcotics was increased to one year. In addition, punishment for possession of related equipment or precursor chemicals was increased from three months to a mandatory sentence of no less than one year. Other changes to the criminal code permit the police to use such tactics as controlled deliveries, a method that was used this year with international cooperation. Another amendment to the criminal code eases procedures to confiscate assets of organized crime groups by placing the burden of providing evidence about the origins of assets on the defendant rather than the prosecutor, and allowing confiscation of assets acquired during the period of incriminating activity. Croatia continues to cooperate well with other European states to improve the control and management of its porous borders. Authorities describe cooperation on narcotics enforcement issues with neighboring states as excellent.

Law Enforcement Efforts. The Interior Ministry, Justice Ministry and Customs Directorate have primary responsibility for law enforcement issues, while the Ministry of Health has primary responsibility for the strategy to reduce and treat drug abuse. The Interior Ministry's Anti-Narcotics Division is responsible for coordinating the work of counternarcotics units in police departments throughout the country. The Interior Ministry maintains cooperative relationships with Interpol and neighboring states, and cooperates through the South-Eastern Cooperation Initiative (SECI). Croatian police and Customs authorities continued to coordinate counternarcotics efforts on targeted border-crossing points. Police reported the following seizures: Heroin (82 kg in 2006 vs. 52 kg in the first 9 months in 2007) and hashish (12 kg in 2006 vs. 4 kg in the first nine months of 2007, marijuana 202.5 kg vs. 179 kg in the first nine months in 2007, cocaine 5.6 kg vs. 16 kg in the first nine months in 2007, amphetamine 11.6 kg vs. 7 kg in the first nine months of 2007, Ecstasy 16,340 tablets vs. 12,177 tablets in the first nine months of 2007). In 2005, police submitted charges against 5,700 persons for narcotics-associated crimes; in 2006 police initiated criminal charges against 6,017 individuals and in the first nine months of 2007 police initiated criminal charges against 5,041 persons. Crimes associated with the sale or abuse of narcotics make up 10 percent of total crimes recorded. During 2006, 8,346 registered criminal acts were associated with narcotics smuggling and abuse.

Corruption. As a matter of government policy, Croatia does not encourage or facilitate illicit production or distribution of narcotic or psychotropic drugs or other controlled substances, or the laundering of proceeds from illegal drug transactions. Similarly, no senior government official is alleged to have participated in, encouraged, or facilitated such activities. Croatia is a party to the UN Corruption Convention.

Agreements and Treaties. Croatia is a party to the 1988 UN Drug Convention, the 1961 UN Single Convention as amended by the 1972 Protocol, and the 1972 UN Convention on Psychotropic Substances. Croatia is also a party to the UN Convention against Transnational Organized Crime and its protocols against trafficking in persons, migrant smuggling, and illegal manufacturing and trafficking in firearms. Extradition between Croatia and the United States is governed by the 1902 Extradition Treaty between the U.S. and the Kingdom of Serbia, which applies to Croatia as a successor state. Croatia has signed bilateral agreements with 34 countries permitting cooperation on combating terrorism, organized crime, smuggling and narcotics abuse.

Cultivation/Production. Small-scale cannabis production for domestic use is the only narcotics production within Croatia. Poppy seeds are cultivated on a small scale for culinary use. Because of Croatia's small drug market and its relatively porous border, Croatian police report that nearly all illegal drugs are imported into Croatia. However, authorities believe that given the existence of Ecstasy labs in Bosnia and Herzegovina, it is inevitable that small-scale labs will be discovered in Croatia.

Drug Flow/Transit. Croatia lies along part of the "Balkan heroin smuggling Route." Authorities believe that much of the heroin from Asian sources passes by this route to reach European markets. Although Croatia is not considered a primary gateway, police seizure data indicate smugglers continue to attempt to use Croatia as a transit point for non-opiate drugs, including cocaine and cannabis-based drugs. Cannabis-based drugs have increasingly been identified at road border crossings. Ecstasy and other synthetics are smuggled into Croatia from the Netherlands and Belgium.

Domestic Programs/Demand Reduction. The Office for Combating Drug Abuse in cooperation with relevant ministries, develops the National Strategy for Narcotics Abuse Prevention (most recently in its Strategy for 2006-2012), and is the focal point for agency coordination activities to reduce demand for narcotics. Croatia has eight therapy communities with 32 therapy houses which operate as non-governmental organizations or religious communities, or were established and

registered as social care facilities for addicts. The facilities offer treatment and psychosocial rehabilitation to drug addicts. Therapy communities implement programs of psychosocial rehabilitation, work therapy, family counseling, prevention awareness programs, and cooperate with the Centers for Prevention of Addictions, Centers for Social Welfare, hospitals, clinics, various state bodies, and domestic and foreign humanitarian organizations. Demand reduction programs are coordinated by the Government's Office for Combating Drug Abuse. The Ministry of Education requires drug education in primary and secondary schools within its "healthy lifestyles" courses. Other ministries and government organizations also run outreach programs to reach specific constituencies such as pregnant women. The state-run medical system offers treatment for addicts, but slots are insufficient to accommodate all needing treatment. The Ministry of Health oversees in-patient detoxification programs as well as 21 regional outpatient prevention centers which provide testing, counseling, and referrals. According to GOC statistics, the highest number of treated addicts was registered in Istria, followed by the counties of Zadar, Zagreb, Sibenik, and Dubrovnik. The highest numbers of treated opiates addicts were registered in the county of Zadar, followed by Istria and Sibenik. High rates did not necessarily reflect high drug abuse rates, but rather an efficient system of their inclusion in treatment. The number of treated persons in 2006 was 7,427 (out of which 2,000 were treated for the first time), an increase from prior years (e.g. 2005—6,668 persons and in 2004—5,768 persons). Of the total number of persons treated in 2006, 82 percent were men. As in previous years, addicts were mainly addicted to heroin and opiates. In 2006 the GOC developed therapy guidelines for methadone therapy and in 2007 for buprenorphine. Pharmacotherapy with buprenorphine increased: 18 percent of practitioners used the treatment in 2006, compared with 3 percent in 2005. The increase in therapy is attributable to the coverage by the national health insurance system for such treatments. Methadone therapy increased by 34 percent in 2006 from the prior year, up from 886 persons in 2005 to 1,186 in 2006. The number of deaths in 2006 as a result of narcotic drugs decreased from the prior year by 15 percent. Out of 90 deaths, 81 persons were men and nine were women. Those deaths largely occurred in the city of Zagreb (38 percent), Split county (19 percent) and Istria county (10 percent). In 2006, the GOC spent 64 million kuna (\$12.5 million) for the implementation of the National Strategy for Suppression of Narcotics and its Action Plan, which is an increase of 28 percent from the previous year.

IV. U.S. Policy Initiatives and Programs

Bilateral Cooperation. The primary objectives of U.S. initiatives in Croatia have been focused on improving the ability of Croatian law enforcement agencies to work bilaterally and regionally to combat organized crime and narcotics trafficking. Having achieved these two basic objectives, U.S. assistance for police reform efforts under the ICITAP (DOJ) program was refocused on combating organized crime and corruption. In October 2006, Croatian police formed the first joint police-prosecutor task force to target a criminal organization involved in drug trafficking and other illegal activities. The task force yielded several arrests. In addition, Croatian police have been regular participants in training programs at the U.S.-funded International Law Enforcement Academy at Budapest.

Under the Export Control and Border Security (EXBS) program, police and customs officers have been trained this year on border security, tracker training, port security and vulnerability, seaport interdiction, and commodity identification, all of which will assist in preventing drug trafficking through Croatia. Equipment donations and related training for border police officers will further enhance Croatia's ability to detect and interdict shipments. In addition, U.S. Coast Guard dispatched a Mobile Training Team to conduct two consecutive Port Security/Port Vulnerability courses, and also trained two Croatian officers in International Leadership and Management, and International Crisis Command & Control. The DEA's Vienna Country Office has regional responsibility for cooperation with Croatia. The Croatian Criminal Police Directorate Drug

Division has shared intelligence and developed substantial investigations with DEA which have led to large seizures of cocaine (160 kilograms), arrests and the disruption of significant Balkan Drug Trafficking Organizations. Several significant bilateral investigations are still ongoing.

Road Ahead. For 2008, U.S. expert training teams will join in-country U.S. trainers to help Croatian police develop skills in surveillance, management development, witness support, fugitive tracking, and informant management. A resident advisor will continue to assist the Ministry of Interior in improving police and prosecutor cooperation in complex narcotics, corruption, and organized crime cases. Additional training and detection equipment donations planned for 2008 under the EXBS program will have spin-off benefits for Croatia's fight against narcotics trafficking, particularly in the areas of interagency cooperation and border management.

Cyprus

I. Summary

Cyprus has been divided since the Turkish military intervention of 1974, following a coup d'état directed from Greece. Since then, the southern part of the country has been under the control of the Government of the Republic of Cyprus. The northern part is controlled by a Turkish Cypriot administration that in 1983 proclaimed itself the "Turkish Republic of Northern Cyprus (TRNC)," recognized only by Turkey. The U.S. Government recognizes only the Government of the Republic of Cyprus and does not recognize the "TRNC." This report refers to the Government-controlled area unless otherwise specified.

Although Cypriots do not produce or consume significant amounts of narcotics, an increase in local drug use continues to be a concern. The Government of Cyprus traditionally has had a low tolerance toward any use of narcotics by Cypriots and continues to employ a public affairs campaign to remind Cypriots that narcotics use carries heavy costs, and users risk stiff criminal penalties. Cyprus' geographic location and its decision to opt for free ports at its two main seaports continue to make it an ideal transit country for legitimate trade in most goods, including chemicals, between the Middle East and Europe. To a limited extent, drug traffickers use Cyprus as a transshipment point due to its strategic location and its relatively sophisticated business and communications infrastructure. Cyprus monitors the import and export of dual-use precursor chemicals for local markets. Cyprus customs authorities have implemented changes to their inspection procedures, including computerized profiling and expanded use of technical screening devices to deter those who would attempt to use Cyprus free ports for narcotics smuggling. A party to the 1988 UN Drug Convention, Cyprus strictly enforces tough counternarcotics laws, and its police and customs authorities maintain excellent relations with their counterparts in the U.S. and other governments.

II. Status of Country

Cypriots themselves do not produce or consume significant quantities of drugs. The island's strategic location in the eastern Mediterranean creates an unavoidable liability for Cyprus, as Cyprus is a convenient stopover for narcotics traffickers moving from Southwest Asia to Europe. Precursor chemicals are believed to transit Cyprus in limited quantities, although there is no hard evidence that they are diverted for illegal use. Cyprus offers relatively highly developed business and tourism facilities, a modern telecommunications system, and the ninth-largest merchant shipping fleet in the world. This year has seen approximately 2.3 million dollars worth of illegal narcotics proceeds frozen in several bank accounts.

Drug-related crime, still low by international standards, has been steadily rising since the 1980's. According to the Justice Ministry, drug related arrests and convictions in Cyprus have doubled since 1998. Cypriot law calls for a maximum prison term of two years for drug users less than 25 years of age with no prior police record. In late 2005, the Courts began to refer most first-time offenders to rehabilitation centers rather than requiring incarceration. This still continues. Sentences for drug traffickers range from four years to life, depending on the substances involved and the offender's criminal record. In an effort to reduce recidivism as well as to act as a deterrent for would-be offenders, Cypriot courts have begun sentencing distributors to near maximum prison terms as allowed by law. For example, in the second half of 2004, the Cypriot Courts began sentencing individuals charged with distributing heroin and Ecstasy (MDMA) with much harsher sentences, ranging from 8 to 15 years. Cypriot law allows for the confiscation of drug-related assets as well as the freezing of profits, and a special investigation of a suspect's financial records.

Cyprus's small population of soft-core drug users continues to grow. Cannabis is the most commonly used drug, followed by heroin, cocaine, and MDMA (Ecstasy), which are available in major towns. Reports of narcotics overdoses in 2007 were as follows: sixteen confirmed drug related deaths. Of the deaths, eight were the results of an overdose; eight deaths were indirectly related to drugs. The number of overdose/drug-related deaths increased by six as compared to 2006. The use of cannabis and Ecstasy by young Cypriots and tourists continues to increase.

The Government of Cyprus has traditionally adopted a low tolerance toward any use of narcotics by Cypriots and uses a pro-active public relations strategy to remind Cypriots that narcotics use carries heavy penalties. The media reports extensively whenever narcotics arrests are made. The Republic of Cyprus has no working relations with enforcement authorities in the area administered by Turkish Cypriots. The U.S. Embassy in Nicosia, particularly the DEA, works with the Turkish Cypriot community on international narcotics-related issues. Turkish Cypriots have their own law enforcement organization responsible for the investigation of all narcotics-related matters. They have shown a willingness to pursue narcotics traffickers and to provide assistance when asked by foreign law enforcement authorities.

III. Country Actions Against Drugs in 2007

Policy Initiatives. In May 2004, Cyprus became a member of the European Union (EU). Prior to its accession into the EU, Cyprus implemented all the necessary requirements to comply with EU regulations. To meet EU regulations, Cyprus established the Anti-Drug Council, which is responsible for national drug strategies and programs. The Council is chaired by the Health Minister and is composed of heads of key agencies with an active role in the fight against drugs. They are appointed by the Council of Ministers for a period of three years. The Council acts as a liaison between the Republic of Cyprus and other foreign organizations concerning drug related issues, as well as having the responsibility for promoting legislative or any other measures in an attempt to effectively counter the use and dissemination of drugs. Moreover, the Cyprus Anti-Drug Council is the responsible body for the strategic development and implementation of the National Drugs Strategy and the National Action Plan on Drugs aligned with the EU Drugs Strategy. In connection with EU entry, Cypriot authorities also established the Cyprus Police European Union and International Police Co-operation Directorate, which replaces a similar operational unit established in 2002. The Division is responsible for cooperating with foreign liaison officers appointed to Cyprus, including the U.S. Drug Enforcement Administration (DEA), Nicosia Country Office (NCO), as well as Cypriot liaison officers appointed abroad.

The Cyprus Police, Drug Law Enforcement Unit, (DLEU) is the lead police agency in Cyprus charged with combating drug trafficking in Cyprus. The DLEU hosts weekly meetings attended by foreign liaison officers from the United States (DEA), Greece, United Kingdom, Russia, France and Sovereign Base Areas assigned to Cyprus and regional liaison officers not assigned in Cyprus from Australia, Canada, Germany, and Italy with reporting responsibilities for Cyprus. In 2007, DLEU's budget increased slightly which helped support continuing training for its members in combating drug trafficking. The appointment of a new DLEU commander in 2006 has improved morale, arrest and seizure statistics. In late October 2006, the DEA Office of International Training conducted an Asset Forfeiture Training conference in Nicosia, which was attended by more than forty law enforcement personnel. In 2004, Cyprus established two new centers for the detoxification and rehabilitation of drug addicts. A new law enacted in Cyprus provides judges with the discretion to send convicted drug addicts to jail or to one of these centers under certain conditions.

Law Enforcement Efforts. Cyprus aggressively pursues drug seizures, arrests, and prosecutions for drug violations. Cyprus focuses on major traffickers when cases subject to their jurisdiction permit them to, and readily supports the international community in efforts against the narcotics trade.

Cypriot police are generally effective in their law enforcement efforts, although their techniques and capacity remain restricted by tight budgets. Nevertheless, U.S.-Cyprus cooperation is excellent and has yielded important results in several narcotics-related cases. Through the first eleven months of 2007, the Cyprus Police Drug Law Enforcement Unit opened 747 cases and made 761 arrests, an increase of 74 and 83, respectively, from last year. Of those arrested 620 were Greek Cypriots and 241 were foreign nationals. DLEU seized approximately 126 kg of cannabis, 394 cannabis plants, 229 grams of cannabis resin (hashish), 1.565 kg of cocaine, 2,860 tablets of MDMA (Ecstasy), .5 grams of amphetamines, 4.64 kg of opium, and 664 grams of heroin, and 2 tablets of methadone.

Area administered by Turkish Cypriots: The Narcotics and Trafficking Prevention Bureau functions directly under the General Police Headquarters. From January to November 2007, the Turkish Cypriot authorities arrested 255 individuals for narcotics offenses and seized 15.895 kg of hashish, 2.635 kg of heroin, 59 grams of cocaine, 634 kg of opium, 351 cannabis plants, 6332 tablets of Ecstasy and 257 mg of Ecstasy powder. Overall, with the exception of Ecstasy, the police report a decline in drug seizures.

Corruption. As a matter of government policy, Cypriot officials do not facilitate the production, processing, or shipment of drugs, or the laundering of the proceeds of illegal drug transactions in either the Government-controlled area or the area administered by Turkish Cypriots.

Agreements and Treaties. Cyprus is a party to the 1988 UN Drug Convention, the 1961 Single Convention as amended by the 1972 Protocol, and the 1971 UN Convention on Psychotropic Substances. Cyprus is a party to the UN Convention against Transnational Organized Crime and its three protocols, and has signed but has not yet ratified the UN Convention against Corruption. An extradition treaty between the United States and Cyprus entered into force in September 1999. A mutual legal assistance treaty (MLAT) between the United States and Cyprus entered into force on September 18, 2002. Cyprus also became a member of the EU in May 2004.

Area administered by Turkish Cypriots: In 1990, a protocol regarding cooperation in the fields of security, trafficking of narcotics and psychotropic materials, battling terrorism, technical education and social relations was signed between the “TRNC” and the Republic of Turkey. The “TRNC” has no other agreements in this field as Turkey is the only country that recognizes it.

Cultivation/Production. Cannabis is the only illicit substance cultivated in Cyprus, and it is grown only in small quantities for local consumption. The Cypriot authorities vigorously pursue illegal cultivation. The police seized 394 cannabis plants in the first 11 months of 2007.

Area administered by Turkish Cypriots: The import/export, sale, distribution, possession or cultivation of narcotics is viewed as a serious offense and sentences of up to 15 to 20 years are not unusual. There have been no reports of large-scale cultivation of narcotics, although some individuals have planted cannabis for their own personal use. The police seized 351 cannabis plants during the first eleven months of 2007. The seizures were not part of a large-scale cultivation organization.

Drug Flow/Transit. Although Cyprus is no longer considered a significant transit point for drugs, there were several cases of narcotics smuggling in the past year. Cypriot law enforcement authorities continued to cooperate with the DEA office in Nicosia on several international investigations initiated during 2007. Tourism to Cyprus is sometimes accompanied by the import of narcotics, principally Ecstasy and cannabis. Last year, arrests of Cypriots for possession of narcotics with intent to distribute were significantly higher than the number of arrests of non-Cypriots on similar charges, suggesting Cyprus might be becoming a target market for domestic traffickers.

There is no production of precursor chemicals in Cyprus, nor is there any indication of illicit diversion. Dual-use precursor chemicals manufactured in Europe do transit Cyprus to third countries. Such cargoes are unlikely to be inspected if they are manifested as goods in transit. The Cyprus Customs Service no longer has the responsibility of receiving manifests of transit goods through Cyprus. This responsibility now rests with the Cyprus Ports Authority. Goods in transit entering the Cypriot free ports of Limassol and Larnaca can be legally re-exported using different transit documents, as long as there is no change in the description of the goods transported. Since these goods do not enter the customs area of Cyprus, they would only be inspected by Cypriot authorities if there were good intelligence to justify such an inspection.

Area administered by Turkish Cypriots: The majority of hashish comes from Turkey, whereas heroin comes from Afghanistan by way of refineries in Pakistan, Iran, and Turkey. Ecstasy and cocaine come from Turkey, England and South America, respectively. The preferred method of smuggling illegal narcotics is through concealed compartments of vehicles.

Domestic Programs (Demand Reduction). Cyprus actively promotes demand-reduction programs through the school system and through social organizations. Drug abuse remains relatively rare in Cyprus. Marijuana is the most commonly encountered drug, followed by heroin, cocaine, and Ecstasy, all of which are available in most major towns. Users consist primarily of young people and tourists. Recent increases in drug use have prompted the Government to promote demand-reduction programs actively through the school system and social organizations, with occasional participation from the DEA office in Nicosia. Drug treatment is available.

Area administered by Turkish Cypriots: The Turkish Cypriot community has introduced several demand reduction programs, including regular seminars on drug abuse education for school counselors and teachers.

IV. U.S. Policy Initiatives and Programs

Policy Initiatives. The U.S. Embassy in Cyprus, through the regional DEA office, works closely with the Cypriot police force to coordinate international narcotics investigations and evaluate local narcotics trends. Utilizing its own regional presence, DEA assists the new coordination unit in establishing strong working relationships with counterparts in the region. DEA also works directly with Cypriot customs, in particular, on development and implementation of programs to ensure closer inspection and interdiction of transit containers.

The Road Ahead. The USG enjoys close cooperation with the Cypriot Office of the Attorney General, the Central Bank, the Cyprus Police, and the Customs Authority in drug enforcement and anti-money laundering efforts. In 2008, the USG will continue to work with the Government of Cyprus to strengthen enforcement of existing counternarcotics laws and enhance Cypriot participation in regional counternarcotics efforts. DEA regularly provides information and insight to the GOC on ways to strengthen counternarcotics efforts. New laws to empower members of the Drug Law Enforcement Unit in their fight against drug traffickers are currently before Parliament.

Czech Republic

I. Summary

Illegal narcotics are imported to, manufactured in, and consumed in the Czech Republic. While the overall number of drug users in the country is relatively stable, the rates of use for marijuana, Ecstasy, and methamphetamines are among the highest in Europe. Marijuana, grown locally and imported from Holland, is used more than any other drug. Locally produced high-THC content marijuana is exported to neighboring countries, and methamphetamine (known locally as pervitine) is sold for domestic consumption and export. Levels of heroin reaching the Czech Republic have remained stable over recent years, while cocaine use is low. The Czech Republic is a producer of ergometrine, which is then used for the production of LSD. Extensive and ongoing police reforms and recurrent changes in police management have led to understaffing which has hampered the ability of the police to effectively do their job. The Czech Republic is a party to the 1988 UN Drug Convention.

II. Status of Country

Several factors make the Czech Republic an attractive country for groups engaged in the drug trade. These factors include its central location, the current (and hopefully temporary) shift in the role of the police and Customs Service, the relatively short sentences for drug-related crimes, and the low risk of assets confiscation. A new law on public sector compensation has caused many police officers to pursue early retirement, leading to major understaffing. The abolition of the Financial Police has led to a decrease in detection rates of laundered drug money. The decrease in border control mechanisms as part of EU accession in 2004 and entry into the Schengen System at the end of 2007 have made detection of narcotics coming across the border more difficult. The maximum sentence for a drug-related crime is 15 years imprisonment, but often convicted drug traffickers receive only light or suspended sentences. A four-year governmental action plan, “The National Drug Policy Strategy for 2005-2009,” is re-evaluated internally every year for appropriate changes.

According to the annual report of European Monitoring Center for Drugs and Drug Addiction, the rate of marijuana use in the Czech Republic is the highest in Europe, with 24 percent of young adults having used the drug within the previous twelve months. Czechs are also the most likely to have used marijuana in their lifetimes. Consumption of Ecstasy and pervitine was among the highest in the EU.

The “Czech National Focal Point for Drugs and Drug Addiction” is the main body responsible for collecting, analyzing and interpreting data on drug use. According to their annual report the number of drug users was stable in 2006. The report estimates there were 19,700 pervitine and 10,500 opiate users—among the highest percentages of use in the EU. The use of Subutex (an opiate used in the treatment of addiction) was evaluated for the first time and showed 4,300 users.

A 2006 “Health Behavior in School-aged Children” study showed that 25 percent of 15 year old children have tried marijuana, and 19 percent of them used it in the last twelve months. Based on the Czech National Monitoring Center (Focal Point) the situation improved compared to 2002. At that time, 30 percent of polled 15 year-olds reported they had tried marijuana, and 27 percent admitted that they had used marijuana in the last twelve months.

The 2006 Czech Statistical Office study estimates that Czechs spend 6.4 billion crowns (\$366 million) annually on drugs, which is 0.2 percent of Czech GDP. Treatment efforts and activities taken to lower drug demand cost about 1.4 billion crowns (\$80 million) and suppression of supply

and law enforcement cost about 5 billion crowns (\$286 million). The Statistical Office estimates that Czechs consume more than 15 metric tons of drugs annually—10 tons of marijuana, 3.5 tons of pervitine and 2.2 tons of heroin. Czechs also annually consume 1.2 million Ecstasy tablets and over 250,000 LSD tabs.

III. Country Actions Against Drugs in 2007

Policy Initiatives. Drug policy remains a contentious issue in Czech domestic politics. The Greens, one of three parties in the current government, promoted legalization of marijuana as a platform in their election campaign. Indeed, the recently-appointed Minister of Education, Ondrej Liska, has openly championed the decriminalization of marijuana in the near-term. The Criminal Code passed in 2005 for the first time made a sharp distinction between the use of “soft” drugs, such as marijuana and Ecstasy, and “hard” drugs, such as heroin and pervitine. Although a measure that would have decriminalized marijuana failed in Parliament in 2005, the Criminal Code fully envisions a more liberal approach to soft drugs in order to focus resources on drugs considered more damaging. An attempt to decriminalize marijuana is currently before Parliament. It is supported by the Ministries of Interior and Education, but it is not clear whether it will pass.

An important and long-awaited law on social services was passed and came into force in 2006. Among other things, it defines basic types of social services for drug users and identifies drug users as a target group. This is important especially for non-governmental organizations providing such services to drug users and requesting funding from the Ministry of Labor and Social Affairs.

The Governmental Committee for Coordination of Drug Policy is the main body responsible for the Czech National Drug Policy strategy. The strategy document created for 2005–2009 highlights the importance of enforcement operations against organized criminal enterprises and focuses efforts on the reduction of addiction and associated health risks, and the establishment of a certification system for drug prevention programs. The government also controlled the availability of pills containing chemical precursors. The Committee has recently been expanded to include representatives of local governments, medical specialists and NGOs representatives.

The National Drug Headquarters (NDH) is the main organization within the country responsible for major drug investigations. The drug units of the Czech Customs Service are also responsible for tracking drugs, but their roles differ. In addition to Customs common operational work and investigations, they focus on the control of the major port-of-entry into the country located at Prague international airport. Additionally, they use mobile groups to monitor suspicious trucks on highways around the country. This work has become more difficult after the country’s 2004 entry into the EU, when border control checks were reduced. Customs is also responsible for monitoring the Czech Republic’s modest licit poppy crop, highway permits, and trafficking in cigarettes, as well as levying certain taxes and fees. As a result of these additional tasks and changes related to the December 2007 accession to the EU Schengen System, the monitoring of drug trafficking was no longer the highest priority.

The NDH cooperates regularly with the Customs Service based on an agreement signed between the Ministries of Interior and Finance. Discussions continue on whether the NDH and the customs drug unit should be joined under one institution owing to overlapping responsibilities.

The NDH cooperates regularly with other police units including the Unit Combating Corruption and Financial Crimes, as the NDH is responsible for financial investigations following the abolition of the Financial Police in January 2007. Despite its strong reputation, the Interior Minister decided to abolish the Financial Police as part of a broader reform package. The decision has been criticized as having been politically motivated. As a result, the NDH conducts its basic financial investigations alone and, in cases of extensive financial investigations, contacts the Unit Combating Corruption and Financial Crimes.

Law Enforcement. In the first ten months of 2007, the National Drug Headquarters, together with the Customs Service, seized 19.4 kg of heroin; 35,640 Ecstasy pills; 5.4 kg of methamphetamine, 78.3 kg of marijuana, 37 kg of cocaine, and 4,452 cannabis plants. They also uncovered 169 methamphetamine laboratories and 23 marijuana cultivation laboratories.

Among the National Drug Headquarters other significant successes in 2007: In April, after several months of intensive work, the police arrested an Israeli national who was distributing high-quality cocaine in the Czech Republic. He sold the drug in his neighborhood and in Prague clubs and discos for 3000-4000 crowns (\$170-\$230) a gram. The individual was arrested under an international warrant for his criminal activity in the U.S. Moreover, he was actively involved in activities of an Israeli criminal organization located in Spain that distributed Ecstasy produced in the Netherlands to the U.S., Australia, Germany and Spain. The seized cocaine and other drugs had a street value of 4 million crowns (\$230,000).

In June three ethnic Albanians were arrested for the illegal importation of heroin from the Balkans and onward exportation to other European countries. The police confiscated more than 4 kg of heroin with a street value of 4 million crowns (\$245,000).

In September the police arrested two Czechs who ran an Ecstasy drug trafficking ring. The group distributed the drug mainly in Moravia, selling it in Ostrava clubs and discos. During the arrests, the police found over 20,000 Ecstasy pills, with an estimated street value of five million crowns (\$285,000). The pills contained 26 percent of MDMA.

According to police statistics for the first half of 2007, 1,049 people were investigated for drug-related crimes. Police investigated 1,027 suspects for unauthorized production and possession of narcotics, psychotropic substances, and “poisons.” Police investigated 128 individuals for drug possession for personal use, and 22 others were investigated for contributing to the addiction of others.

According to the statistics provided by the Ministry of Justice for the same period, the state prosecuted 1,212 suspects for drug-related crimes; 129 were prosecuted for drug possession for personal use and 35 were indicted for spreading addiction. Courts convicted 753 individuals for drug-related offenses, including 57 convictions for drug possession for personal use and five for spreading addiction.

Statistics for the first six months of 2007 show that a majority of convicted criminals (53 percent) received conditional sentences for drug-related crimes, and only one-third of convicted criminals were sentenced to serve time in prison. Only 11 percent of this latter group received sentences higher than 5 years. The majority of those sentenced to serve time in prison (77 percent) received sentences ranging from one to five years. According to 2006 data, higher prison sentences are given to people convicted of production and lower sentences are given for possession.

Corruption. The Czech government does not encourage or facilitate illicit production or distribution of narcotic or psychotropic drugs or other controlled substances, or the laundering of proceeds from illegal drug transactions. A current provision in Czech law permits possession of a small amount of certain drugs, but does not give a definition of “small amount”. To avoid confusion and to eliminate potential corruption, the Police President and Supreme Public Prosecutor have issued internal regulations that provide guidelines that attempt to define “small amount”. While not binding, these guidelines are commonly followed. In 2006 no police officer was charged with drug-related crimes. The Czech Republic signed the UN Convention against Corruption in 2005, but has not yet ratified it.

Agreements and Treaties. The Czech Republic is a party to the 1961 UN Single Convention as amended by the 1972 Protocol, the 1971 UN Convention on Psychotropic Substances and the 1988 UN Drug Convention. A 1925 extradition treaty between the U.S. and the Czech Republic, as

supplemented in 1935, remains in force. U.S. and Czech representatives signed supplements to the U.S.-EU extradition treaty in May 2006.

Drug Flow/Transit. Whereas in the past heroin trafficking in the country was mainly under the control of ethnic Albanian groups importing their product from Turkey, according to the Czech counternarcotics squad and Customs this is no longer the case. The importation of heroin is now mainly organized by Turks who have closer relations with suppliers in Turkey. Heroin is transported to the Czech Republic primarily using modified vehicles, in many cases vehicles importing textiles. Given the fact that Vietnamese immigrants specialize in the textile business in the Czech Republic, they play a role in further distribution. Heroin can be bought for a street price of 600 – 2000 crowns a gram (\$34 – \$115). Police and Customs suspect the Balkan route of heroin trafficking has moved south to Austria and, therefore, the Czech Republic is no longer viewed as a transit country for heroin.

Cocaine abuse is not as widespread as other drugs, but abuse is increasing due to the growing purchasing power of Czech citizens. Cocaine is frequently imported by Nigerians or Czechs through Western Europe from Brazil, Venezuela or, most recently, Argentina. Mail parcels, Czech couriers or “swallowers” are the most common methods of import. This year the Czech Customs Service has noted a significant increase in cocaine imports, especially from Holland. In the first nine months of 2007, they detected 27 kg of the drug, which is four times more than the whole of last year. Customs extended their cooperation with express courier services, which seem to be the most common way of importation. Cocaine can be bought for a street price of 1500 – 3500 crowns a gram (\$85 – \$200).

Pervitine is a synthetic methamphetamine-type stimulant that is popular in the Czech Republic. It can be easily produced in home laboratories from locally available flu pills containing up to 30 mg of pseudoephedrine. The Czech government has been preparing a new law regulating access to those flu pills. It is believed that pervitine is also produced in bigger laboratories from imported ephedrine from the Balkans or Russia, and exported to Germany, Austria and Slovakia. Besides Czech citizens, who are still the main producers of the drug, Vietnamese and Albanians residing in the Czech Republic and Germans are also major pervitine traffickers. The Vietnamese control mainly border areas, selling drugs in market places. Pervitine can be bought for a street price of 400 – 2000 crowns a gram (\$23 – \$115).

Imported Ecstasy tablets remain a favorite drug of the “dance scene.” Ecstasy is trafficked primarily from the Netherlands and Belgium. Ecstasy tablets are smuggled into the country by local couriers. The police report an increase of larger one-time imports organized mainly by Czechs. Import is less risky due to EU open borders. Ecstasy tablets can be bought for a street price of 100 – 500 crowns a gram (\$5.70– \$28.60).

A trend toward larger-scale growth of cannabis plants in hydroponic laboratories continued in 2007. The cultivation is increasingly sophisticated and mainly organized by Vietnamese and Czechs. In the first ten months of 2007, the police detected 23 laboratories. Consumption of cannabis is mainly covered by local production, but is also imported from the Netherlands in small amounts and to a lesser extent from Spain or India. Most smugglers are Czech or Dutch citizens, but local Vietnamese have also become involved in marijuana trafficking. The Vietnamese traffickers focus mainly on hydroponic cultivation of drug containing a high percentage of THC, the effective ingredient. This high TNC-content marijuana is then sold in the Czech Republic and exported to neighboring countries. Marijuana can be bought for a street price of 50 – 300 crowns a gram (\$2.90 – \$17.10).

Salvia Divinorum is a legal drug that is being abused among young people. A salvia plant is relatively easy to buy on the Internet for about 500 crowns (\$25). Toluene, a solvent, is commonly inhaled by poor, younger segments of the population, primarily in the north of the country. The

police also noted the appearance of 4-Methyl-aminorex (“Pink Panther”) pills that were used in the U.S. for dieting, but which are now prohibited in the U.S.

Domestic Programs/Demand Reduction. The main components of Czech demand reduction plans continue to be primary prevention along with treatment and re-socialization of abusers. This strategy entails a variety of programs that include school-based prevention education, drug treatment, and needle exchange programs. Within the context of the National Strategy, the government has established benchmarks for success. Some of these include stabilizing or reducing the number of “problem” (hard drug) users, reversing the trend in the Czech Republic toward rising recreational and experimental drug use, and ensuring the availability of treatment centers and social services.

To provide high-level treatment services all over the country, the National Strategy sets standards that are required of all drug treatment providers. In connection with this effort, the government began a certification process in 2005 for treatment facilities. A system of certifications of specialized primary prevention programs was launched in 2006. All providers of primary prevention programs must obtain certification prior to the end of 2008. Through May 2007, eight organizations applied for the certification of 16 programs. Those programs mostly related to primary prevention offered in basic schools, or programs of timely intervention, and educational programs.

For better orientation, the Czech government produced an online “Map of Help” in 2006 which lists contact information for all drug treatment programs in the Czech Republic, including those providing services by phone and the Internet.

In 2006 there were 90 contact centers and street programs in the Czech Republic. About 26,000 drug users used these services, and more than 3.8 million injection kits were exchanged, which is 600,000 more than in the previous year. Thanks to the successful needle exchange program, the percentage of HIV positive drug users is very low. Drug testing of individuals involved in serious traffic accidents or driving under the influence became mandatory in 2006.

In 2006 the state spent 363 million crowns (\$20 million) on its drug policy. Ninety-five million crowns (\$5 million) were provided from regional budgets and 48 million (\$2.6 million) was contributed from local budgets, similar to amounts from 2005.

The National Focal Point statistics have noted a positive trend: the increasing average age of long-term drug users: 25.3 years in 2006, compared to 23.4 in 2004, and 22 in 2002.

IV. U.S. Policy Initiatives and Programs

Bilateral Cooperation. The U.S. covers Czech Republic drug issues through the DEA office in Warsaw but cooperation with the Vienna office is also very good. The Legal Attaché maintains close contact with National Drug Headquarters representatives and exchanges information as necessary. The relationship with Czech law enforcement counterparts is cooperative.

The Road Ahead. In the lead-up to Schengen accession at the end of 2007, the Czech Republic focused on the final stage of its accession process to the EU System of open borders. It will continue implementing police reforms to ensure a stable, effective and independent police force and will work on the re-codification of the Penal Code and Criminal Proceedings Code to ensure criminal prosecutions are conducted in a timely manner and sentencing is appropriate and predictable. Discussions about possible decriminalization of marijuana usage will continue. The dialogue between American and Czech officials on law enforcement and border security issues will only increase as the Czech Republic approaches possible entry into the U.S. visa waiver program.

Denmark

I. Summary

Denmark's strategic geographic location and status as one of Northern Europe's primary transportation points make it an attractive drug transit country. The Danes cooperate closely with their Scandinavian neighbors, the European Union (EU), and the U.S. government (USG) to prevent the transit of illicit drugs. Denmark plays an increasingly important role in helping the Baltic States combat narcotics trafficking. Danish authorities assume that their open border agreements and high volume of international trade will inevitably allow some drug shipments to transit Denmark undetected. Nonetheless, regional cooperation has contributed to substantial heroin and increased cocaine seizures throughout the Scandinavian/Baltic region. Denmark is a party to the 1988 UN Drug Convention.

II. Status of Country

Drug traffickers use Denmark's excellent transportation network to bring illicit drugs to Denmark for domestic use and for transshipment to other Nordic countries. Reports suggest that drugs from the Balkans, Russia, the Baltic countries and central Europe pass through Denmark en route to other EU states and the U.S., although the amount flowing to the U.S. is relatively small. Police authorities do not believe that entities based or operating in Denmark play a significant role in the production of drugs or in the trading and transit of precursor chemicals.

III. Country Actions Against Drugs in 2007

Policy Initiatives. Although seldom used, undercover operations are permitted in Denmark with a court order when investigating crimes punishable by terms of more than six years in prison. Informants are used more for intelligence purposes than to secure actual evidence through sting-type operations in criminal investigations. Danish legislation passed in late 2002 requires persons carrying cash or instruments exceeding 15,000 Euros (approximately \$22,000) to report the relevant amount to customs upon entry to or exit from Denmark. This law has led to Danish customs proactively intercepting illegal money.

Law Enforcement Efforts. Over the past three years, there has been a significant increase in cocaine seizures in Denmark. Cocaine investigations are the current top priority of counternarcotics police efforts in Denmark. The Danish National Police commissioner issued a statement that the increase in cocaine seizures can be attributed to "police efforts to fight organized crime and with the systematic police investigations aimed at criminal groups and networks which are involved in drug crime." The police commissioner vowed to continue "goal-oriented and systematic efforts to fight organized crime in close cooperation with the European police unit at Europol and foreign police authorities." Cocaine trafficking in Denmark is controlled primarily by Serbian and West African nationals. Police also targeted members of the Hell's Angels and Banditos biker gangs by increased enforcement of tax laws. Authorities continue to target tax evasion by members of the biker gangs, as biker gangs are major factors in the drug trade. Heroin availability in Denmark has fluctuated based on the heroin production levels in Afghanistan. Balkan, Iranian and Pakistani nationals typically control heroin trafficking in Denmark. Final crime statistics for 2007 are not yet available, but the 2007 year-to-date law enforcement figures show an increase in the quantity of Ecstasy, heroin and cocaine seized by Danish authorities. The number of Ecstasy pills seized increased by 157 percent, from 22,712 pills in 2006 to 58,462 pills in 2007, despite a decline in the number of Ecstasy cases from 540 in 2006 to 274 in 2007. The quantity of heroin seized has also increased significantly, with a 62 percent increase from 28.87 kg in 2006 to 46.96 kg in 2007. The

amount of cocaine seized has increased slightly from 76.22 kg in 2006 to 78.97 kg in 2007. The amount of amphetamines seized in 2007 (45.07 kg) has decreased by 40 percent from 2006 figures (79.44 kg). Similarly, the amount of cannabis seized has decreased from 1035 kg in 2006 to 611 kg in 2007. These fluctuations are most likely attributable to market trends, rather than the intensity of counternarcotics efforts.

Corruption. As a matter of government policy, Denmark does not encourage or facilitate illicit production or distribution of narcotic or psychotropic drugs or other controlled substances, or the laundering of proceeds from illegal drug transactions. Similarly, no senior government official is alleged to have participated in such activities.

Agreements and Treaties. Denmark is a party to the 1988 UN Drug Convention, the 1971 UN Convention on Psychotropic Substances, and the 1961 UN Single Convention as amended by its 1972 Protocol. Denmark also is a party to the UN Convention against Transnational Organized Crime and its protocols against migrant smuggling and trafficking in persons, and to the UN Convention against Corruption. The USG has a customs mutual assistance agreement and an extradition treaty with Denmark. Denmark is also a Major Donor to the UN Office on Drugs and Crime (UNODC), with an annual pledge of nearly \$2,000,000.

Cultivation/Production. There is no substantial narcotics cultivation or production in Denmark. Only small MDMA (Ecstasy) production labs are known to exist in the country and these are vigorously pursued, shut down, and their operators prosecuted.

Drug Flow/Transit. Denmark is a transit country for drugs on their way to neighboring European nations and, in small quantities, to the U.S. The ability of the Danish authorities to interdict this flow is slightly constrained by EU open border policies. The Danish Police report that the continuous smuggling of cannabis to Denmark is typically carried out by car or truck from the Netherlands and Spain. Amphetamines are typically smuggled from the Netherlands via Germany to Denmark and there distributed by members of the Hell's Angels and Banditos biker gangs.

Domestic Programs. Denmark's Ministry of Health estimates that there were approximately 27,000 drug addicts in the country. The governmental action plan against drug abuse, built upon existing programs, offers a multi-faceted approach to combating drug addiction. Its components consist of prevention, medical treatment, social assistance, police and judicial actions (particularly against organized crime), efforts to combat drug abuse in the school and prison systems, and international counternarcotics cooperation. In 2005, the Danish government dedicated additional resources to drug treatment programs. As a result, the Ministry of Health enrolled 5,330 new patients in drug treatment programs in 2005 and eliminated the waiting list for drug treatment programs. The number of people in drug treatment programs has increased from 9,438 in 2000 to approximately 13,300 in 2005. Drug treatment for heroin addiction is highest in demand. Of those receiving treatment, 5,525 people received methadone maintenance treatment in 2005. Seventy-five percent of treatment recipients are male. The average age of treatment recipients is 36 years old.

IV. U.S. Policy Initiatives and Programs

Bilateral Cooperation. U.S. goals in Denmark are to cooperate with the Danish authorities on drug-related issues, to assist with joint investigations, and to coordinate USG counternarcotics activities with the eight countries of the Nordic-Baltic region. The USG enjoys excellent cooperation with its Danish counterparts on drug-related issues. The DEA office in the U.S. Embassy in Copenhagen coordinates the bilateral cooperation with its Danish counterparts. Additionally, the defense attaché supports counternarcotics missions in Danish waters.

The Road Ahead. Danish enforcement efforts will be strengthened by legislation that authorizes police to use informants and conduct undercover operations. The introduction of visa-free travel

from the new EU member states has increased the opportunity for smuggling. The Danes will seek to expand their cooperative efforts to successfully meet the new smuggling threat. At the same time, the USG will continue its cooperation with Danish authorities and work to deepen joint efforts against drug trafficking.

Estonia

I. Summary

The closures in Estonia of illegal synthetic drug labs, seizures of narcotic substances and detection of drug trafficking conspiracies, as well as the arrest of record number of Estonian drug traffickers around the world, indicate drug production and transit activity are ongoing in Estonia. It is also an indication of the success of counternarcotics efforts by Estonian law enforcement agencies. Except for the higher HIV-infection rate among intravenous drug users, the drug situation in Estonia is similar to that in other European countries. Estonia is a party to the 1988 UN Drug Convention.

II. Status of Country

Estonia's most popular illegal narcotics include trimethylphenyl-an opiate-synthetic drug "cocktail" ("White Persian,") heroin, Ecstasy, amphetamines, gammahydroxybutyrate (GHB), cannabis and poppy. In the first ten months of 2007, the closure of three illegal synthetic drug labs, along with seizures of production equipment and precursors, indicate that synthetic drugs are produced in Estonia. While some drugs are consumed locally, production is also exported to neighboring countries, as evidenced by the frequent arrests of drug traffickers at the border. Also in 2007, a record number of Estonian drug traffickers were arrested in foreign countries demonstrating the involvement of Estonian drug traffickers in the international illegal drug trade. Seizures of large quantities of narcotic substances by Estonian law enforcement agencies indicate that Estonia is located on a drug transit route in the region.

According to Government of Estonia (GOE) and NGO estimates, there are about 14,000 intravenous drug users (IDUs) in Estonia. Due to its large IDU population, Estonia has the highest growth rate per capita of HIV infections in Europe. As of October 2007, a total of 6,250 cases of HIV have been registered nationwide, 519 of which were registered in 2007. To date, AIDS has been diagnosed in a total of 176 people, 41 of whom were diagnosed in 2007. Male IDUs still account for the largest share of newly registered HIV cases; however, in 2007, young women made up 42 percent of new HIV cases, indicating that the epidemic is spreading to the general population.

III. Country Actions Against Drugs in 2007

Policy Initiatives. In 2007, Estonia continued to upgrade its anti-narcotics legal framework. In March, the Government of Estonia (GOE) approved its 2007-09 Action Plan based on the National Strategy on Prevention of Drug Dependency for 2004-2012, adopted in 2003. The Action Plan sets targets and gives guidelines for implementing organizations to meet the six objectives of the strategy: prevention, treatment and rehabilitation, harm reduction, demand reduction, addressing the problem of drugs in prisons, and overall monitoring and evaluation of the Action Plan. In 2006, the Law amending the Narcotic Drugs and Psychotropic Substances Act (LANDPSA) came into force, harmonizing Estonia's legislation with European Union (EU) narcotics regulations. The LANDPSA also brought domestic law into compliance with the United Nations (UN) Convention against Illicit Traffic in Narcotic Drugs and Psychotropic Substances.

Also in 2007, Estonia continued to implement its national 2006-2015 anti-HIV/AIDS strategy, which pledges to bring about a steady reduction in the spread of HIV and improve the quality of life of people with the disease. The strategy pays special attention to programs for various at-risk groups, including IDUs, which currently form the largest sub-group within the HIV positive population. Following parliamentary elections in March 2007, the new government coalition reiterated this pledge in its coalition agreement. The GOE plans to focus its prevention efforts on

young people and their parents, with the ultimate goal of reducing the number of new cases of HIV to the European regional average of 50-70 cases per one million people per year, or one-tenth the current rate.

Although the United Nations Global Fund to Fight HIV/AIDS, TB, and Malaria (GF) finished its four-year program in Estonia in September, the GOE has committed to take over all HIV-related activities carried out under Global Fund's \$10.4 million grant. While the Ministry of Social Affairs has overall coordinating responsibility, each cabinet Minister is responsible for HIV prevention, harm reduction and treatment in his or her administrative area (i.e., Ministry of Justice—HIV in prisons; Ministry of Defense—HIV in defense forces; Ministry of Education and Research—HIV prevention in schools and colleges). All ministries report to the governmental committee that coordinates HIV and drug abuse prevention activities, established in 2006. The committee is comprised of representatives from the Ministries of Social Affairs, Education and Research, Defense, Internal Affairs, Justice, and Finance, as well as local governments, the World Health Organization, organizations for people living with HIV/AIDS, and members of the original working groups that drafted the GOE's 2005-2015 anti-HIV/AIDS strategy. The committee reports directly to the Cabinet on a bi-annual basis.

Law Enforcement Efforts. Combating narcotics is a major priority for Estonian law enforcement agencies. Police, customs officials and the border guard maintain good cooperation on counternarcotics activities. Currently, 88 police officers work solely on drug issues. Their primary mission is to destroy international drug rings (rather than catch individual suppliers). From January through September 2007, the Estonian police registered 860 drug-related criminal cases and successfully carried out several counternarcotics operations.

In April 2007, officers of the drug squad of the North Police Prefecture seized more than a kilogram of cocaine and a large amount of Ecstasy tablets estimated to have a street value of \$140,000. This was the largest amount of cocaine ever seized by that jurisdiction. According to the police, the packaging of the drugs clearly indicated the suspect was involved in drug smuggling. In August, two suspects were arrested with 15 doses of gammahydroxybutyrate (GHB). A search of their dwelling uncovered 23 grams of cocaine and three liters of GHB, which corresponds to more than 600 doses. In September, as a result of an extensive operation, the Estonian Central Criminal Police discovered a cache of various narcotics, including the largest amounts of hashish ever confiscated in Estonia. In addition to the 70 kg of hashish, the seizure netted 1,500 grams of cocaine, 300 grams of "White Chinaman"-heroin and several bags of marijuana with a total estimated street value of \$1 million. In October, as a result of long-term surveillance, the Estonian central Criminal Police raided a drug lab and seized 10 liters of liquid amphetamine, lab equipment and chemicals used in amphetamine production. They detained four persons suspected of manufacturing large quantities of amphetamines. The search of one suspect's apartment yielded 15 kg of liquid amphetamine. The total seizure amounted to an estimated 30,000 doses with a total value of \$140,000.

In October, the Central Criminal Police detained a criminal group recruiting young people from Estonia to traffic narcotics from South America. Previously only about seven drug traffickers of Estonian origin were arrested abroad every year. In 2007, 30 people from Estonia have been arrested for drug trafficking—seven detained in Europe and 23 in South American (including 12 in Venezuela.)

Combating the illicit narcotics trade is also a top priority for the Estonian Tax and Customs Board (ETCB). All customs, investigation, and information officers have received special training in narcotics control, and all customs border points are equipped with rapid drug tests. There are about 100 customs officers working on the Estonia-Russian border (part of the European Union's easternmost border). About 150 Customs officers work in mobile units all over Estonia. There are 14

Customs teams with 18 drug sniffing dogs. In the first six months of 2007, the dogs found approximately ten kg of narcotic substances. All four Customs regions have a designated narcotics control liaison officer, and are supported by a narcotics analyst in the Tallinn headquarters. In May, Estonian Customs Officials—in cooperation with U.S. and Latvian law enforcement agencies—detained an international criminal group of eight people and seized roughly 8 kg of high-quality cocaine with a street value of \$2.1 million. The smugglers brought the drugs to the Estonian coast in a small boat from a freighter sailing in Estonian territorial waters and planned to forward them to other Baltic countries. In July, during X-ray screening, Estonian Customs Officials found 4.2 kg of heroin hidden in the car of a Latvian citizen. This seizure prevented up to 70,000 doses of heroin from reaching the streets.

Corruption. Estonia is a relatively corruption-free country; receiving high scores on international corruption and economic indexes, and out-performing all other new EU member states and some of the original EU members. The GOE does not encourage or facilitate illicit production or distribution of narcotics or psychotropic drugs or the laundering of proceeds from illegal drug transactions. There are no reports of any senior official of the GOE engaging in, encouraging, or facilitating the illicit production or distribution of narcotic substances.

Agreements and Treaties. Estonia is party to the main international drug control conventions: the UN Single Convention as amended by the 1972 Protocol, the UN Convention on Psychotropic Substances (1971), and the 1988 UN Drug Convention. A 1924 extradition treaty, supplemented in 1934, remains in force between the United States and Estonia, and a mutual legal assistance treaty in criminal matters was entered into by the countries in 2000. Estonia is a party to the UN Convention against Transnational Organized Crime and its three protocols. Estonia's domestic drug legislation is consistent with international laws regulating the combat against illicit drugs.

Cultivation/Production. Estonia's cold climate precludes it from becoming a major drug cultivator; however, in northeastern Estonia small amounts of poppies are grown for domestic production of opium. Nevertheless, the closures of drug labs and seized products and precursors in different regions of Estonia demonstrate synthetic narcotics production is ongoing in Estonia. Most of the labs were small and very mobile, making them difficult to detect. In addition to production for domestic consumption, synthetic drugs produced in Estonia are exported to neighboring countries, including the Nordic countries and northwestern Russia.

Drug Flow/Transit. Estonia's geographical position makes it attractive to drug smugglers. Frequent arrests of drug traffickers and seizures of narcotic substances at the border indicate Estonia's involvement in the international drug trade, but also demonstrate the high performance level of Estonian law enforcement agencies. Frequent arrests of Estonian drug traffickers around the world show their involvement in the international drug trade.

Domestic Programs/Demand Reduction. In 2007, Estonia continued to implement its 2004-2012 National Strategy on the Prevention of Drug Dependency. Combating the drug trade and reining in domestic consumption continue to be high priorities for all Estonian law enforcement agencies and for key government ministries. There are more than 60 governmental, non-governmental, and private entities in Estonia working with IDUs to provide services to decrease demand and reduce harm. There are currently five voluntary HIV testing and counseling centers in Estonia funded by the GOE and local governments. A needle exchange program is operational in 23 cities and a number of mobile needle exchange stations are in operation in Tallinn and northeast Estonia. Methadone treatment is provided at six centers in Tallinn and northeast Estonia. Drug rehabilitation services are provided at 14 facilities nationwide, three of which are church-sponsored.

IV. U.S. Policy Initiatives and Programs

Bilateral Cooperation. In 2007, the Estonian Defense Forces (EDF) implemented the first phase of a U.S. Department of Defense (DOD) project entitled “DOD HIV/AIDS Prevention Program” to raise the awareness of military personnel and to assist in the creation of a sustainable EDF HIV/AIDS prevention system. Also in 2007, the U.S. Embassy utilized the Department’s International Visitors Program on HIV to familiarize Estonian experts with U.S. practices in the fight against HIV/AIDS.

In 2007, the Export Control and Border Security program (EXBS) provided a Targeted Risk Management Training in Tallinn for Estonian Customs Agents (September 24-28) and provided over \$100,000 worth of inspection equipment to the Border Guards, Customs Agents, and Rescue Board.

The Road Ahead. In 2008, EXBS will hold a regional conference in the Balkans in which Estonian Customs Agents have been asked to participate as trainers. The U.S. will continue to work with Estonian officials to control drug flows in Europe and from Europe to the U.S.

Finland

I. Summary

Finland is not a significant narcotics-producing or trafficking country. Drug use and drug-related crime rates have been mixed over the past four years, although there was no significant increase in any of the classes of narcotics seized in 2006. Finland's constitution places a strong emphasis on the protection of civil liberties and this sometimes adversely impacts law enforcement's ability to investigate and prosecute drug-related crime. The use of electronic surveillance under the Finnish Coercive Measures Act, such as wiretapping, is generally permitted in serious narcotics investigations. Finnish political culture tends to favor the allocation of resources to demand reduction and rehabilitation efforts over strategies aimed at reducing supply. Finnish law enforcement believes that increased drug use in Finland may be attributable to the wider availability of narcotics within the European Union, increased experimentation by Finnish youth and cultural de-stigmatization of narcotics use.

While there is some overland narcotics trafficking across the Russian border, Finnish law enforcement believes that existing border controls are largely effective in preventing this route from becoming a major trafficking conduit into Finland. Estonian organized crime syndicates, and to a lesser degree, syndicates from other Baltic countries, are believed responsible for most narcotics trafficking into Finland. Estonia's accession to the Schengen Treaty has complicated law enforcement efforts to combat narcotics trafficking through the reduction in border checks of the nearly 5.5 million annual travelers and 800,000 cars, which transit between Helsinki and Tallinn. Asian crime syndicates have begun to use new air routes between Helsinki and Asian cities like Bangkok to facilitate trafficking-in-persons, and there is the possibility that these routes could be used for narcotics trafficking as well.

Finland is a major donor to the UNDCP and is active in counternarcotics efforts within the EU. Finland is a party to the 1988 UN Drug Convention. Finland maintains strong law enforcement and customs relationships with its Baltic neighbors, with Russia and with EU member states in combating the production and trafficking of narcotics in the region.

II. Status Of Country

Narcotics production, cultivation, and the production of precursor chemicals in Finland are very modest in scope. Most drugs that are consumed in Finland are produced elsewhere, and Finland is not a source country for the export of narcotics. Estonia, Russia and Spain are Finland's principal sources for illicit drugs, with Spain representing the origin point within the EU for most cocaine entering Finland. Finnish law criminalizes the distribution, sale and transport of narcotics; the Government of Finland operates with other countries and international law enforcement organizations regarding extradition and precursor chemical control.

The number of drug offences reported to the Finnish law enforcement authorities in 2006 saw a slight decrease when compared with 2005, whereas the total number of aggravated narcotics offences showed a slight rise. The number of persons suspected of aggravated narcotics offences increased by approximately 20 percent when compared with 2005.

The overall incidence of drug use in Finland remains low (relative to many other western countries); however, drug use has increased over the past decade. Cocaine is rare, but marijuana, khat, amphetamines, methamphetamine, synthetic club drugs, Ecstasy, LSD and heroin and heroin-substitutes can be found. Finland has historically had one of Europe's lowest cannabis-use rates. Cannabis seizures have been mixed since 2003, with total numbers of seizures in several areas

increasing, yet with total quantities of cannabis seized having decreased. Ecstasy, GHB, Ketamine (Vitamin K) and other MDMA-type drugs are concentrated among young people and associated with the club culture in Helsinki and other large cities. Social Welfare authorities believe the introduction of GHB and other date rape drugs into Finland has led to an increase in sexual assaults. Changing social and cultural attitudes towards the acceptance of limited drug use also contribute to this phenomenon.

Heroin use began to increase in Finland in the late 1990s, but seizures have continued to decline since 2003. With the exception of a 55 kg seizure of heroin in 2005, seizures have never been larger than 1.6 kg since before 2003. Typically, heroin is smuggled by ethnic groups residing in Scandinavia using vehicles. They pass by way of Germany and Denmark to the rest of Scandinavia.

Abuse of Subutex (buprenorphine) and other heroin-substitutes seems to have replaced heroin abuse to some extent. Possession of Subutex is legal in Finland with a doctor's prescription, but Finnish physicians do not readily write prescriptions for Subutex unless patients are actually in a supervised withdrawal program. Finnish couriers do obtain Subutex from other EU countries, however. Finland witnessed a modest 2 percent increase in the seizure of narcotic medical prescriptions between 2005 and 2006, it also saw an overall 18 percent reduction in the actual volume of such drugs seized.

According to Finnish law enforcement, there are approximately two dozen organized crime syndicates operating in Finland; most are based in Estonia and Russia. Since Estonia's entry into the Schengen Treaty, Estonian travelers to Finland are no longer subject to routine customs inspection at ports-of-entry, making it difficult to intercept narcotics. For instance, a drug dealer in Helsinki can phone a supplier in Tallinn, and within three hours a courier can arrive in Helsinki via ferry with a shipment of drugs. Although Estonian syndicates control the operations, many of the domestic street-level dealers are Finns. Estonian smugglers also organize the shipment of Moroccan cannabis from Southern Spain to Finland. Again, overall amounts are small. Finnish law enforcement reports that cooperation with Estonian law enforcement is excellent, and both countries maintain permanent liaison officers resident in each other's countries.

Finnish law enforcement appears well prepared to address the potential use by Asian crime groups of new air routes from Helsinki to major Asian cities like Bangkok. In 2000, Finland had 4 non-stop flights per week between Finland and Asia. In 2007, Finnair alone was operating 30 non-stops per week to Asia, and expects to operate 37 such flights in 2008. To reduce the likelihood of Asian syndicates' exploiting such routes, Finnish law enforcement has established close cooperation with airline officials and Asian law enforcement to coordinate interdiction efforts, including the posting of liaison personnel in Beijing and Guangzhou.

III. Country Actions Against Drugs In 2007

Policy Initiatives. Finland's comprehensive 1998 policy statement on illegal drugs articulates a zero-tolerance policy regarding narcotics. However, a 2001 law created a system of fines for simple possession offenses rather than jail time. The fine system enjoys widespread popular support and is chiefly used to punish youth found in possession of small quantities of marijuana, hashish, or Ecstasy. There is limited political and public support for stronger punitive measures. In 2005, Parliament passed a law expanding the authority of the Border Guards to cover the entire country (not just immediate border areas), thereby enhancing the Guards' ability to combat narcotics trafficking.

Law Enforcement Efforts. Finnish law enforcement continued to effectively investigate and prosecute instances of narcotics possession, distribution and trafficking. Within Finland, the Finnish Police and Customs have primary responsibility for interdicting and investigating narcotics trafficking and distribution. Within the police, the National Bureau of Investigation (NBI) is

charged with coordinating organized crime investigations, as well as serving as the Finnish focal point for international law enforcement cooperation. The police, as well as the Finnish Border Guards, who interdict narcotics during immigration checks, fall under the Finnish Ministry of the Interior. Customs falls under the Finnish Ministry of Finance, and also maintains responsibility for coordination of Finnish customs narcotics interdiction efforts with other nation's customs services. Finnish judicial authorities are empowered to seize assets, real and financial, of criminals.

During 2006, Finnish law enforcement effectively prioritized narcotics cases through Joint Intelligence Teams and Centers, which comprise representatives of the police, Customs and Border Guards. These centers are located at the national, provincial and local levels, where a broad range of intelligence and analysis capabilities are brought to bear in identifying priority narcotics investigations. For instance, the center responsible for Helsinki includes representatives from the NBI, Helsinki police, Customs, Border Guards, prison authorities and provincial police representatives. In 2006, the Finnish law enforcement community received additional government funding and manpower to pursue a number of interagency, target-oriented narcotics investigations, including the assignment of prosecutors to an investigation from its inception.

During 2006, Finnish Customs deployed a mobile X-ray scanning facility at Helsinki's Western Harbor to provide Customs with the ability to conduct scanning of incoming trucks and containers. Additionally, Customs enhanced its use of narcotics detection canine units at key ports of entry into Finland.

The 2006 Police report on narcotics offenses and seizures is the latest available. In 2006, Finland experienced a decline in the number of drug offenses, dropping from 15,209 in 2005 to 14,286 in 2006. However, the number of aggravated narcotics offenses increased from 654 in 2005 to 794 in 2006. 4,308 individuals were charged in 2006 for the country's 14,286 narcotics offenses, as were 506 for the nation's 794 aggravated offenses. In 2006, 14 percent of the suspects of aggravated narcotics offenses were foreigners; of those, 40 percent were Estonian and 14 percent were Russian.

Authorities estimate that recreational use of cocaine has increased somewhat. While overall amounts of cocaine entering Finland remain extremely low, Finnish law enforcement believes the importation of cocaine will continue to increase. Finnish authorities have asserted that cocaine predominantly enters Finland from Spain. In 2006, cocaine seizures increased to 82 (compared to 73 in 2005) and volume increased to 6.5 kg (from 1.2 kg in 2005). The increased volume can largely be attributed to a single end-of-year seizure made in the Southern Customs District. Additionally, Finnish Customs intelligence identified two Estonians who had entered Finland at the same time but utilizing different routes. One of the two was caught selling a kg of cocaine to a Finn in Helsinki. The other Estonian has not been caught. According to Customs, the man who was apprehended was a courier, while the other Estonian was responsible for arranging the smuggling. In addition to the one kg of cocaine seized by Customs, they believe that another 1.5 kg was successfully put into circulation. Cocaine has not threatened the position of cannabis, amphetamine or Subutex among the most popular drugs.

Finnish authorities have noted an increase in the number and quantity of steroid seizures on the Finnish market. During 2006, Finnish law enforcement agencies seized approximately 200,000 pieces of steroid-type substances, either in tablet form or ampoules. In addition, they seized almost 12 million steroid pills/ampoules as part of a major international case of doping smuggling from China to Russia via Finland.

One potentially worrying trend is that the few smuggling enterprises that do exist are becoming increasingly sophisticated. For instance, consignments of amphetamine have been hidden in trucks, and subsequently buried in remote, locations. The locations are then mapped and sold to criminals in Estonia handling the retail trade in Finland. To counter schemes of this type, the Finnish police

are increasingly dependant on cooperation with their Estonian counterparts—cooperation they describe as outstanding. It is now estimated that 90 percent of amphetamine is imported to Finland from or through Estonia. Finnish law enforcement believes that significant quantities of the amphetamine on the Finnish market are produced in Lithuania by Lithuanian crime groups. According to Finnish law enforcement, Estonian and Lithuanian organized crime groups appear to be working in close cooperation in trafficking amphetamine into Finland

According to Customs officials, there has been an increase in the number of Subutex couriers departing Finland on a regular basis to Estonia and Latvia. However, as the couriers possess valid Subutex prescriptions, Customs authorities are prevented from seizing these legal prescriptions. Suspected courier travel has increased from 30 suspected trips to Estonia and Latvia in early 2003 to a high of 800 suspected couriers by summer 2006. Effective December 21, 2007, changes in EU regulations will prevent Latvian and Estonian pharmacies from filling Subutex prescriptions for Finnish citizens. However, Finnish couriers are likely to attempt to identify other EU sources for Subutex, including France.

Narcotics-related weapons seizures in 2006 were down to 544 weapons seized (versus 674 in 2005). Weapons included firearms, gas weapons and electronic stun devices. Finnish authorities seized almost Euro 900,000 in trafficking-related cash (versus Euro 640,000 in 2005). Finland continued its impressive record on multilateral law enforcement, maintaining liaison officers in ten cities, including six officers in Russia. Finnish law enforcement personnel have continued to conduct criminal narcotics investigations involving Finland abroad, including the investigation of suspects beyond Finland's borders.

In 2006, Finland and Estonia conducted a joint organized criminal investigation aimed at reducing the distribution of amphetamines. The team was headed by a senior member of Finnish law enforcement. The investigation included joint suspect interviews and searches in both countries. The two countries agreed to expand the use and authorities of Joint Investigative Teams, which provided for enhanced levels of cooperation between Finnish and Estonian law enforcement personnel.

Finland also participated in a number of regional and European Union narcotics interdiction efforts, including Operation COMPAS, which involved the inspection of container traffic at European ports and focused on the interdiction of cocaine; PALLAS, which involved 18 EU member states and aimed at interdicting narcotics and chemical precursors; CONQUEST2, which focused on sea inspections of containers originating in heroin producing countries; SUMMER, which focused on interdicting narcotics on cars and passengers between Helsinki, Stockholm and Tallinn; and NORDIC, which involved Finnish, Danish, Norwegian and Swedish cooperation with Germany to target truck traffic departing Germany for Scandinavia.

Corruption. As a matter of government policy, Finland does not encourage or facilitate illicit production or distribution of narcotic or psychotropic drugs or other controlled substances, or the laundering of proceeds from illegal drug transactions. Finnish officials do not engage in, facilitate, or encourage the illicit production or distribution of such drugs or substances, or the laundering of proceeds from illegal drug transactions. Official corruption is extremely rare in Finland. There have been no arrests or prosecutions of public officials charged with corruption or related offenses linked to narcotics in Finnish history.

Agreements And Treaties. Finland is a party to the 1988 UN Drug Convention. Finland is also a party to the 1961 UN Single Convention as amended by the 1972 Protocol, and the 1971 Convention on Psychotropic Substances. Finland is a party to the UN Convention against Transnational Organized Crime and its protocols on trafficking in persons and migrant smuggling and the UN Convention against Corruption. A 1976 bilateral extradition treaty is in force between the United States and Finland. Finland signed the bilateral instrument of the EU-U.S. Extradition

Treaty in 2004; Parliament's Legal Affairs Committee approved the Treaty in mid-2007, and full Parliamentary ratification is expected by early 2008. Finland has also concluded a Customs Mutual Assistance Agreement with the United States. Finland is a member of the major Donors' Group within the Committee on Narcotic Drugs. The vast majority of Finland's financial and other assistance to drug-producing and transit countries has been via the UNODC.

Cultivation/Production. There were no reported seizures of indigenously cultivated opium, no recorded diversion of precursor chemicals and no detection of illicit methamphetamine, cocaine, or LSD laboratories in Finland in 2006. Finland's harsh climate makes cultivation of cannabis and opium poppy almost impossible. Local cannabis cultivation is believed to be limited to small-scale, indoor hydroponic culture. Seizures by weight of cannabis plants have fluctuated over the past several years, dropping slightly to 36 kg in 2006. Between July and December 2006, Finnish law enforcement agencies seized a total of 4,630 cannabis plants in 401 cases. The majority of cultivation cases were very small, with an average of 1 to 10 plants per seizure. One significant seizure in 2006 involved 800 plants being cultivated outdoors in West Finland. The distribution of 22 precursor chemicals listed by international agencies is tightly controlled.

Drug Flow/Transit. Medical narcotics (including Subutex), amphetamine and methamphetamine represent the majority of police seizures in Finland. Finland is not a major transit country for narcotics. Most drugs trafficked into Finland originate or pass through Estonia. Finnish authorities report that their land border with Russia is well guarded on both sides to ensure that it does not become a major transit route.

Domestic Programs/Demand Reduction. According to the Development Center for Social Affairs and Health, there are approximately 21,000 registered drug users in Finland, with some 10,000 undergoing treatment. Despite these low numbers, the Ministry of Health and Social Services has stated that the Government must do more to reduce demand. The central government gives substantial autonomy to regional and municipal governments to address demand reduction using general revenue grants, and often relies upon the efforts of Finnish NGOs. Finnish schools continued to educate students about the dangers of drugs. Finland's national public health service offered rehabilitation services to users and addicts. Such programs typically use a holistic approach that emphasizes social and economic reintegration into society and is not solely focused on eliminating the subject's use and abuse of illegal drugs. The government has been criticized for its failure to provide adequate access to rehabilitation programs for prison inmates. An additional challenge in Finland in terms of treatment is that there is no substitute treatment for amphetamine in Finland.

IV. U.S. Policy Initiatives And Programs

Policy Initiatives And Bilateral Cooperation. The U.S. has worked with Finland and the other Nordic countries through multilateral organizations in an effort to combat narcotics trafficking in the Nordic-Baltic region. This work has involved U.S. assistance to and cooperation with the Baltic countries and Russia.

The Road Ahead. The U.S. anticipates continued close cooperation with Finland in the fight against narcotics. Finnish law enforcement is expected to maintain its willingness to work with relevant U.S. law enforcement agencies, and is well positioned to exchange law enforcement information and collaboratively pursue narcotics traffickers and international organized criminal entities involved in the manufacture and distribution of narcotics.

France

I. Summary

France continues to be a major transshipment point for drugs moving through Europe. Given France's shared borders with trafficking conduits such as Spain, Italy and Belgium, France is a natural distribution point for drugs moving toward North America from Europe and the Middle East. France's presence in the Caribbean, its proximity to North Africa, and its participation in the Schengen open border system, contribute to its desirability as a transit point for drugs, including drugs originating in South America. France's own large domestic market of predominantly cannabis users is attractive to traffickers as well. Specifically, in descending order, cannabis originating in Morocco (and to a lesser extent, Algeria), cocaine from South America, heroin originating in southwest Asia, and Ecstasy (MDMA) originating in the Netherlands and Belgium, all find their way to France.

Seizures of amphetamines and methamphetamine in France remain relatively inconsequential. Increasingly, traffickers are also using the Channel tunnel linking France to Great Britain as a conduit for drugs from Continental Europe to the UK and Ireland. Although the total number of seizures reported in 2006 (latest published figures) declined by 6.73 percent from 2005 levels (to 78,287), the gross total of the quantity of seizures of cocaine (HCL), Heroin, Khat, AND MDMA all increased, whereas certain cannabis products, cocaine base ("crack" form) and LSD all decreased. Drug trafficking and possession arrests decreased in 2006 by 8.16 percent to 110,486. This represents a significant cumulative decrease from 2004 when 121,526 arrests occurred. France is a party to the 1988 UN Drug Convention.

II. Status of Country

Cannabis users are the largest group of drug users in France, according to official French government statistics. By contrast, users of the next most popular drugs, heroin and cocaine, account for approximately 4 percent and 2 percent of the total number of drug abusers respectively. France's drug control agency, the Mission Interministerielle de la Lutte Contre la Drogue et la Toxicomanie (MILDT, or the Interministerial Mission for the Fight Against Drugs and Drug Addiction), is the focal point for French national drug control policy. Created in 1990, the MILDT (which received its current name in 1996) coordinates the 19 ministerial departments that have direct roles in establishing, implementing, and enforcing France's domestic and international drug control strategy. The MILDT is primarily a policy organ, but cooperates closely with law enforcement officials. The French also participate in regional cooperation programs initiated and sponsored by the European Union.

Since the mid-1990s, death by drug overdose has declined dramatically from 564 reported deaths in 1994 to 57 deaths during 2005. Possession of drugs for personal use and possession of drugs for distribution both constitute crimes under French law and both laws are regularly enforced. Penalties for drug trafficking can include up to life imprisonment. French narcotics agencies are effective, technically capable and make heavy use of electronic surveillance capabilities. In France, the counterpart to the DEA is the Office Centrale pour la Repression du Traffic Illicite des Stupefiants (OCRTIS), also referred to as the Central Narcotics Office (CNO). French authorities report that France based drug rings appear to be decreasingly focused on a single activity, and are increasingly involved in other criminal activities such as money laundering and clandestine gambling.

III. Country Actions Against Drugs in 2007

Policy Initiatives. In late 2004, France launched a five year action plan called “Programme Drogue et Toxicomanie” (Drug and Addiction Program) to reduce drug use among the population and lessen social health damage caused by the use and trafficking of narcotics. A full assessment of the program is expected to be published during 2008, when it reaches the end of its planned duration. Depending upon the result of this assessment, a new program will be introduced. The 2004 program’s successes include launching a 38 million Euro (approx. \$50.5 million) national information campaign on cannabis use in 2005 as well as a increased options in France’s medical treatment for cannabis and heroin users/addicts. The program also provided funding (up to 1.2 million Euros (approx. \$1.6 million)) for France’s contributions to EU and UN counternarcotics programs in four priority areas: Central and Eastern Europe, Africa, Central Asia and Latin America/Caribbean.

While France’s bilateral counternarcotics programs focus on the Caribbean basin, special technical bilateral assistance has also been provided to Afghanistan through France’s Development Agency (AFD). Ten million Euros went to training Afghan counternarcotics police and to fund a crop substitution program that will boost cotton cultivation in the Afghan provinces of Konduz and Balkh.

Law Enforcement Efforts. In 2007, French authorities made several important narcotics seizures:

On January 18, 2007, French customs officials at the port in the northern city of Dunkerque seized 356 kg of heroin, a record for the seizure of this drug in France. The heroin, which was valued at approximately 10 million Euros (approx. \$13 million), was being transported in a truck originating from Turkey and bound for Great Britain.

On March 9, 2007, French customs authorities seized 490,000 Ecstasy pills from the car trunk of a British national near Dunkerque. The suspect was reportedly working with drug traffickers in Brussels, and agreed to transport the drugs from Belgium to Great Britain. The estimated resale value of the Ecstasy seized was reported to be 735,000 Euros (\$967,157).

With the help of the OCRTIS and French and British customs authorities, on August 7, 2007, French maritime authorities conducted an important operation which led to the seizure of approximately 600 kg of cocaine from a sailing boat in the English Channel. The boat which originated in the Caribbean was headed to a port in northern Europe. The value of the cocaine seized is estimated to be between 16 and 18 million Euros (approx. \$22-\$24.85 million).

During 2007, French authorities also conducted frequent operations involving the seizure of cannabis. On September 10, 2007, French customs agents in the southern city of Montpellier seized 618 kg cannabis resin. The cannabis, which is estimated to be worth around 1.2 million Euros (approx. \$1.65 million) was packaged in 20 sacks that were covered by several barrels of hay.

Another operation, on October 13, 2007, led to the seizure of over 2 tons of cannabis resin by French customs agents in the northern city of Arras. The cannabis with an estimated resale value of over 4.3 million Euros (approx. \$6.1 million) was found concealed in several canvas sacs inside a truck en route from Spain to Germany.

Corruption. As a matter of government policy, France is firmly committed to the fight against drug trafficking domestically and internationally. The government does not encourage or facilitate illicit production or distribution of narcotic or psychotropic drugs or other controlled substances, or the proceeds from illegal drug transactions. Similarly, no senior government official is alleged to have participated in such activities.

Agreements and Treaties. France is a party to the 1988 UN Drug Convention, the 1971 UN Convention on Psychotropic Substances, and the 1961 UN Single Convention as amended by the

1972 Protocol, and a 1971 agreement on coordinating action against illegal trafficking. France and the U.S. have an extradition treaty and an MLAT, which provides for assistance in the prevention, investigation, and the prosecution of crime, including drug offenses. In 2004, bilateral supplemental extradition and mutual legal assistance instruments were concluded in order to implement agreements in these areas between the U.S. and the EU, which will enhance cooperation further once they enter into force. The U.S. also has a Customs Mutual Assistance Agreement (CMAA) with France. France is a party to the UN Convention against Corruption and the UN Convention against Transnational Organized Crime and its protocols against migrant smuggling and trafficking in persons.

Cultivation/Production. French authorities believe that the cultivation and production of illicit drugs is not a significant problem in France. France cultivates opium poppies under strict legal controls for medical use, and produces amphetamines as pharmaceuticals. The government reports its production of both products to the International Narcotics Control Board (INCB) and cooperates with the DEA to monitor and control these products. According to authorities, the majority of illicit drugs produced in France come from smaller home laboratories.

Drug Flow/Transit. France is a transshipment point for illicit drug to other European countries. These traffickers move heroin from both Southwest and Southeast Asia (of Burmese origin) to the United States through West Africa and France, with a back-haul of cocaine from South America to France through the United States and West Africa. New routes for transporting heroin from southwest Asia to Europe are developing through Central Asia and Russia and into Belgium and the Netherlands. West African drug traffickers (mostly Nigerian) are also using France as a transshipment point for heroin and cocaine. These traffickers move heroin from both Southwest and Southeast Asia (primarily Burma) to the United States through West Africa and France, with a back-haul of cocaine from South America to France through the United States and West Africa. Law enforcement officials believe these West African and South American traffickers are stockpiling heroin and cocaine in Africa before shipping it to final destinations. There is no evidence that significant amounts of heroin or cocaine enter the United States from France. Most of the South American cocaine entering France comes through Spain and Portugal. To counter this flow, France joined six other European countries to form the Maritime Analysis and Operations Center-Narcotics (MAOC-N) in Lisbon, which should bolster EU capacity to protect its southwestern flank. In addition, officials are seeing an increase in cocaine coming directly to France from the French Caribbean, giving impetus to the creation of the Martinique Task Force: a joint effort with Spain, Colombia and the UK. France also has seconded a Liaison Officer to Joint Interagency Task Force South to coordinate maritime counternarcotics operations in the Caribbean Basin. Most of the Ecstasy in or transiting France is produced in the Netherlands or Belgium.

Domestic Programs/Demand Reduction. MILDT is responsible for coordinating France's demand reduction programs. Drug education efforts target government officials, counselors, teachers, and medical personnel, with the objective of giving these opinion leaders the information they need to assist those endangered by drug abuse in the community. In an effort to combat the consumption of cannabis in France, which has consistently increased over the past 20 years, in October of 2007, Etienne Afaire, the President of MIDLT (since September 2007) announced a new government policy aimed at cannabis users. Beginning in 2008, the state will force those arrested for cannabis use to take a two day class on the dangers of cannabis consumption. The cost of the class, 450 Euros (approx. \$660.00), will be paid by the drug user. France's current law (dating from 1970) includes stiff penalties for cannabis use including up to a year prison sentence and a 3750 Euro (approx. \$5,515) fine though the penalties are rarely, if ever, applied. This new measure is intended to be a more effective approach towards the prevention of cannabis use.

IV. U.S. Policy Initiatives and Programs

Policy Initiatives/Bilateral Cooperation. U.S. and GOF counternarcotics law enforcement cooperation remains excellent. During 2007, the DEA's Paris Country Office and the French Office Central Pour la Repression Du Trafic Illicite Des Stupefiants (OCRTIS), continued to routinely share operational intelligence and support one another's investigations. The DEA and the OCRTIS shared intelligence was developed from a program which identifies orders for precursor chemicals placed from French companies for exportation outside of France. This program resulted in the identification and seizure of dozens of illicit MDMA and Methamphetamine laboratories located both within the United States and France as well as many other countries around the world.

Additionally, during 2007, the OCRTIS and the DEA cooperatively conducted a controlled delivery of over two tons of pseudoephedrine to the Democratic Republic of the Congo. The subsequent investigation of this shipment confirmed that the shipment was intended for illegal reshipment to Mexico for suspected use in the clandestine manufacture of methamphetamine. Further investigation, resulted in the seizure of additional shipments of ephedrine products in the DRC, totaling nearly 10 tons, and in the identification of Mexican nationals involved in coordinating the diversion of these shipments from Africa to Mexico. In March of 2007, the OCRTIS seized the equivalent of over 1.3 million dollars U.S. in cash drug proceeds. Information developed from the French investigation was shared with the DEA and several other countries' law enforcement services, which has led to a number of valuable investigative links. The DEA and the OCRTIS regularly exchange information relating to suspected airline internal drug couriers traveling internationally, and other routine law enforcement information that leads to arrests and drug seizures.

The Road Ahead. The United States will continue its cooperation with France on all counternarcotics fronts, including through multilateral efforts such as the Dublin Group of countries coordinating narcotics assistance and the UNODC.

Georgia

I. Summary

Georgia has the potential to be a transit country for narcotics flowing from Afghanistan to Western Europe. In 2007, however, there were no western-bound, significant seizures of narcotics. Subutex, a licit opiate used for maintenance treatment of heroin addicts, continues to flow from Western Europe into Georgia, though cooperation with international law enforcement, especially in France, is beginning to affect the ease with which Subutex had previously entered the country. Separatist territories not controlled by the Government of Georgia (GOG)—South Ossetia and Abkhazia—also provide additional routes for drug flow and other contraband. There is little or no exchange of information on trafficking between the de facto governments of these territories and the GOG. Anecdotal evidence indicates a sizable domestic drug problem in Georgia.

In 2007, the GOG adopted a national Anti-Drug Strategy, increased penalties for drug offenses and passed new counternarcotics legislation. The GOG also is continuing receiving assistance from the United States Government and the EU to increase Georgia's border security. Statistics on seizures, arrests, and prosecutions for narcotics-related crime are kept by the Ministry of Interior. Statistics on the number of drug abusers in the country vary widely, though the National Forensics Bureau maintains statistics on the number of persons tested for driving under the influence of drugs and alcohol. State-supported treatment falls well below demand, but received increased funding in 2007. Georgia is a party to the 1988 UN Drug Convention.

II. Status of Country

Georgia's geography and transit status between Europe and Asia make it a potential narcotics trafficking route. Asian-cultivated narcotics destined for Europe may enter Georgia from Azerbaijan via the Caspian and exit through the northern Abkhaz or southern Ajaran land and water borders. Thinly staffed ports of entry and confusing and restrictive search regulations make TIR trucks (long-haul trucks carrying nominally inspected goods under Customs Seal) the main means for westward-bound narcotics trafficking in the region. Judging from Ministry of Internal Affairs (MOIA) statistics, there were no significant seizures of drugs moving west in 2007.

Licit drugs, especially Subutex, are trafficked from Europe in small quantities via "used-car trade routes," where vehicles purchased in Western Europe are driven through Greece and Turkey destined for Georgia. Subutex, used as an intravenous drug, is popular due to a lower price in comparison to heroin, a longer high, and a wide profit margin for dealers. However, anecdotal evidence obtained from drug treatment centers suggests that Subutex use is beginning to decrease; law enforcement officials credit increased law enforcement cooperation with Western Europe.

III. Country Actions Against Drugs in 2007

Policy Initiatives. In February, the Georgian Parliament adopted a comprehensive national Anti-Drug Strategy. The "Advisory Council on Drug Policy," which includes the Ministry of Health, MOIA, NGOs, doctors, and jurists, developed the strategy, which addresses prevention, treatment based on epidemiological evidence, and interdiction of drugs and precursors.

In his annual address to Parliament in March, President Saakashvili called for tougher counternarcotics legislation and specifically proposed asset forfeiture. New counternarcotics legislation was adopted by the Georgian Parliament in July. The new law outlines specific penalties to be levied against narcotics offenders, including: forfeiture of illegally obtained assets, deprivation of the right to hold a driver's license, engage in a medical, legal or pedagogical

profession, serve in a budgetary capacity in a government agency, be elected to public office, or purchase, maintain or carry arms. Previous amendments to the criminal code increased penalties for transshipment and intensified monitoring of drug users. These amendments included a year longer prison sentence for repeat offenders and for anyone who illegally transships narcotics while serving as a public official. Businesses are also subject to liquidation and fines.

Law Enforcement Efforts. The Special Operations Department of the MOIA is the lead agency for fighting drug trafficking. The Georgian Border Police also play a role, though far smaller. The Border Police reported five seizures of narcotics at border points in 2007, one by the Coast Guard. Most arrests for cultivation are believed to be small plots intended for personal use.

In the first nine months of 2007, drug related cases increased threefold in comparison to the same period in 2006. Law enforcement credits increased arrests and seizures of Subutex to strong cooperation with French law enforcement in the first half of 2007. Seizures and arrests related to Subutex dropped significantly over the summer months, putting 2007 Subutex statistics on track to level out with 2006 numbers by the end of the year. According to MOIA statistics:

Activities	2006 (Jan-Sept)	2006	2007 (Jan-Sept)
Drug-related cases	2,038	3,542	6,165
Felonies	1,357	1,926	1,531
Contraband	27	41	58
Dealings	90	137	137
Cultivation	95	100	77
Heroin seizure	4.79 kg	5.62 kg	6.79 kg
Marijuana seizure	11.14 kg	11.28 kg	1.35 kg
Opium seizure	0	218 g	123 g
Cocaine	0	0	.558 g
Subutex	4,539 pills	9,562 pills	7,913 pills
Methadone	0	17.1 g	83.4 g

Corruption. As a matter of policy, the GOG neither encourages nor facilitates illicit drug production, distribution, or the laundering of drug profits. No senior officials are known to be engaged in such activities. Rather, the GOG declared war against corruption after the 2003 Rose Revolution and remains publicly committed to this effort. Statistics from the World Bank and other organizations indicate that there has been a dramatic decrease in corruption across the government. The GOG is continuing civil service, tax and law enforcement reforms aimed at deterring and prosecuting corruption. Despite these efforts, however, corruption allegations still surface.

Agreements and Treaties. Georgia is a party to the 1988 UN Drug Convention, the 1971 UN Convention on Psychotropic Substance and the 1961 UN Single Convention as amended by the 1972 Protocol. In September 2006 Georgia ratified the UN Convention against Transnational Organized Crime and its protocols on trafficking in persons and migrant smuggling

Cultivation and Production. Estimates by the GOG on the extent of narcotics cultivation within the country are unreliable and do not include the unrecognized separatist regions outside the central

government's control (South Ossetia and Abkhazia). A small amount of low-grade cannabis is grown for domestic use, but there are no other known narcotics crops or synthetic drug production in Georgia. Although Georgia has the technical potential to produce precursor chemicals, it has no known capacity for presently producing them in significant quantities. In fact, many factories that could produce precursors closed after the collapse of the Soviet Union.

Drug Flow/Transit. The GOG has no reliable statistics on the volume of drugs transiting through Georgia. MOIA figures appear to indicate the absence of significant seizures from 2004-2006, and the first nine months of 2007. This, for some, is proof that Georgia is indeed not a transit country; others point to inadequate policing and/or possible corruption. Even those who argue that drugs transit Georgia to Western markets believe that Georgia is a secondary route. For their part, counternarcotics police report that a lack of scanning equipment and canines trained in drug detection severely undermine their capability to properly examine vehicles at border points of entry. Intelligence has shown an increase in heroin trafficking along the Northern Black Sea route due to successes by Turkish law enforcement. The use of the Northern Black Sea route lends itself to multiple modalities, including TIR trucks transiting Georgia and embarking Roll-On/Roll-Off ferries at the Port-of-Poti and disembarking at western Black Sea ports. This information is corroborated with recent Ukrainian seizures at the Port of Illichivsk, Ukraine, a destination port for Georgian ferries.

Domestic Programs/Demand Reduction. There are no widely accepted figures for drug dependency in Georgia, and more generally, statistics in this subject area are poorly kept. Some sources put the number of drug users between 240,000 and 350,000. Such calculations are, however, at best, a guess. They result from multiplying known users by a coefficient to account for the covert, hidden nature of the problem and poor record keeping. The Ministry of Justice's National Forensic Bureau maintains annual statistics on persons tested for drug abuse. In the first 9 months of 2007, the number jumped to 9,581 persons, compared to a total of 5,779 in 2006.

According to the UNODC Southern Caucasus Anti-Drug Program (SCAD), in 2007 the GOG increased funding for demand reduction and treatment efforts. 150,000 GEL (\$89,820) was allotted for treatment and rehabilitation, while 300,000 GEL was allotted for substitution treatment (methadone). This funding increase is a welcome change following 10 years of continually reduced budgets for demand reduction and treatment programs. In 2006, just 50,000 GEL (\$28,730) had been allocated to demand reduction. With government support, a handful of private clinics provide treatment, which is in great demand. Since private clinics are prohibited by law from procuring methadone for substitution therapy, the government purchases and imports the drug for use by the clinics.

IV. U.S. Policy Initiatives and Programs

Bilateral Programs. In 2007, the USG continued direct assistance on procuracy (State's Attorney) reform, anticorruption efforts, money laundering, writing a new criminal procedure code, upgrading the forensics lab, creating regional evidence collection centers, building a police academy and introducing a new curriculum, fighting human trafficking, and equipping the patrol police with modern communication equipment.

The Road Ahead. Adopting tougher counternarcotics legislation and increasing funding for demand reduction and treatment activities demonstrate the Government's commitment to carrying out its new counternarcotics strategy. Increased international cooperation with European law enforcement is also an encouraging trend.

Germany

I. Summary

Although not a major producer of illicit drugs, Germany is a consumer and transit country for narcotics. The government actively combats drug-related crimes and focuses on prevention programs and assistance to drug addicts. In 2007, Germany continued to implement its Action Plan on Drugs and Addiction, which it launched in 2003, with a specific focus on prevention. Cannabis is the most commonly consumed illicit drug in Germany. Organized crime continued to be heavily engaged in narcotics trafficking. The Federal Health Ministry publishes an annual report on licit and illicit drugs and addiction, and the Federal Office of Criminal Investigation (BKA) publishes an annual narcotics report on illicit drug-related crimes, including data on seizures, drug flows, and consumption. The most recent complete German figures available for narcotics cover calendar year 2006. Germany is a party to the 1988 UN Drug Convention.

II. Status of Country

Germany is not a significant drug cultivation or production country. However, Germany's location at the center of Europe and its well-developed infrastructure make it a major transit hub. Ecstasy moves from the Netherlands to and through Germany to Eastern and Southern Europe. Heroin is trafficked to Germany from Turkey and Austria. Cocaine moves through Germany from South America and the Netherlands. Organized crime continues to be heavily engaged in narcotics trafficking. Germany is a major manufacturer of pharmaceuticals, making it a potential source for precursor chemicals used in the production of illicit narcotics, although current precursor chemical control in Germany is excellent.

III. Country Actions Against Drugs in 2007

Policy Initiatives. Germany continues to implement the Federal Health Ministry's "Action Plan on Drugs and Addiction" adopted by the cabinet in 2003. The action plan establishes a comprehensive multi-year strategy to combat narcotics. The key pillars are (1) prevention, (2) therapy and counseling, (3) survival aid as an immediate remedy for drug-addicts, and (4) interdiction and supply reduction. Germany also abides by the EU Drugs Action Plan. Germany is actively involved in a large variety of bilateral, European and international counternarcotics fora, including bilateral programs with Poland and France, the European Horizontal Group on Drugs, the European Monitoring Center for Drugs Addiction, at the Council of Europe and at the UN level. From January through July 2007, Germany held the EU Council Presidency and hosted a number of counternarcotics conferences, thereby continuing to develop and deepen the EU's drug and addiction policy. Germany also sponsors counternarcotics development programs in numerous countries. The National Inter-agency Drug and Addiction Council that had been established in 2004 advises the government with regard to the implementation of measures against drugs and addiction. The government continued to focus on demand reduction in the consumption of cannabis and to offer a variety of treatment and awareness raising programs in 2007. Research on cannabis consumption by juveniles was conducted in 2007.

Law Enforcement Efforts. Counternarcotics law enforcement remains a high priority for the BKA and the Federal Office of Customs Investigation (ZKA). German law enforcement agencies scored numerous successes in seizing illicit narcotics and arresting suspected drug dealers. According to the most recent publicized analyses, the overall amount of seized narcotics increased in 2006 compared to 2005, but the number of narcotics-related seizures remained about the same. In 2006, the three largest singular seizures of hashish and the largest seizure of cocaine in the last three

years occurred. In 2006, the number of heroin seizures remained about the same compared to 2005, but the amount increased by 12 percent (879 kg). Cocaine seizures increased significantly in 2006, namely by 59 percent compared to 2005. With regard to amphetamine and methamphetamine, increases in seizures and amounts were registered in 2006. Seizures in Ecstasy continued to decrease in 2006. The amount of seized cannabis increased by 29 percent in 2006 compared to 2005. The majority of narcotics traffickers are German nationals, followed by Turkish nationals. The Frankfurt/Main Airport Customs Office seized 490 kg of illicit drugs in the first half of 2007, compared to 618 kg in the first half of 2006. The Frankfurt/Main Airport is Europe's second busiest passenger airport and a major freight hub. Peru, Brazil, India, Venezuela and Argentina were the most frequent countries of prior transit for the illicit drugs seized in the first half of 2007.

Corruption. As a matter of government policy, Germany does not encourage or facilitate the illicit production or distribution of drugs or substances, or the laundering of proceeds from illegal drug transactions. No cases of official corruption have come to the USG's attention.

Agreements and Treaties. A 1978 extradition treaty and a 1986 supplemental extradition treaty are in force between the U.S. and Germany, and an MLAT will enter into force upon exchange of instruments of ratification. There is a Customs Mutual Legal Assistance Agreement (CMAA) between the U.S. and Germany. In addition, Germany is party to the 1988 UN Drug Convention, the 1971 UN Convention on Psychotropic Substances, and the 1961 UN Single Convention as amended by the 1972 Protocol. Germany is a party to the UN Convention against Transnational Organized Crime and its protocols on migrant smuggling and trafficking in persons. Germany has signed but has not yet ratified the UN Corruption Convention.

Cultivation and Production. Germany is not a significant producer of hashish or marijuana. The BKA statistics reported seizure of seven synthetic drug labs in Germany in 2006.

Drug Flow/Transit. Germany's central location in Europe and its well-developed infrastructure make it a major transit hub. Traffickers smuggle cocaine from South America to and through Germany to other European countries. Heroin transits via the Balkan Route to Western Europe, especially to the Netherlands. Cannabis is trafficked to Germany mainly from the Netherlands. Amphetamine and methamphetamine are trafficked from the Netherlands as well as from Poland. Frankfurt Airport is still a major trans-shipment point for Ecstasy destined to the U.S. and for other drugs coming into Europe.

Domestic Programs/Demand Reduction. The Federal Ministry of Health continues to be the lead agency in developing, coordinating, and implementing Germany's drug policies and programs. The National Drug Commissioner at the Federal Ministry of Health coordinates Germany's national drug policy. Drug consumption is treated as a health and social issue. Policies stress prevention through education. The Ministry funds numerous research and prevention programs. Addiction therapy programs focus on drug-free treatment, psychological counseling, and substitution therapy. A heroin-based maintenance treatment research project to treat seriously ill, long-term opiate addicts was largely completed in 2005. The study found this treatment to be a very effective program for seriously ill, long-term addicts. A number of cities are continuing the treatment for project participants with special approval of the federal government. This project has triggered a debate whether to create a legal basis to allow such treatments in general. In 2006, there were approximately 23 medically controlled "drug consumption rooms" in Germany supplementing therapy programs to offer survival aid. German federal law requires that personnel at these sites provide medical counseling and other professional help and ensure that no crimes are committed. Evaluations of these programs are conducted regularly. Drug-related deaths have been decreasing for several years. In 2006, they dropped from by 2.3 percent compared to 2005, making 2006 the year with the lowest number of drug-related deaths (1,296) since 1989. 19,319 first-time users of illicit drugs were registered in 2006, a decrease by 3.4 percent compared to 2005. First-time use of

Ecstasy, heroin, cocaine, and crack decreased in 2006, while the first-time use of methamphetamine and amphetamine increased.

IV. U.S. Policy Initiatives and Programs

Bilateral Cooperation. German law enforcement agencies work closely and effectively with their U.S. counterparts in narcotics-related cases. Close cooperation to curb drug trafficking continues among DEA, FBI, ICE (Immigration and Customs Enforcement) and their German counterparts, including the BKA, the State Offices for Criminal Investigation (LKAs), and the Federal Office of Customs Investigation-ZKA. German agencies routinely cooperate very closely with their U.S. counterparts in joint investigations to stop the diversion of chemical precursors for illegal purposes (e.g., Operations Crystal Flow and Operation Prism). A DEA Diversion Investigator is assigned to the BKA headquarters in Wiesbaden to facilitate cooperation and joint investigations. The DEA Frankfurt Country Office facilitates information exchanges and operational support between German and U.S. drug enforcement agencies. The BKA and DEA also participate in exchange programs to compare samples of cocaine and MDMA pills.

The Road Ahead. The U.S. will continue its close cooperation with Germany on all bilateral and international counternarcotics fronts, including the Dublin Group, a group of countries that coordinates the provision of counternarcotics assistance, and the United Nations Office on Drugs and Crime (UNODC).

Greece

I. Summary

Greece is a “gateway” country in the transit of illicit drugs and contraband. Although not a major transit country for drugs headed for the United States, Greece is part of the traditional “Balkan Route” for drugs flowing from drug producing countries in the east to drug consuming countries in Western Europe. Greek authorities report that drug abuse and addiction continue to climb in Greece as the age for first-time drug use drops. Drug trafficking remains a significant issue for Greece in its battle against organized crime. Investigations initiated by the DEA and its Hellenic counterparts suggest that a dramatic rise has occurred in the number and size of drug trafficking organizations operating in Greece. The DEA and Hellenic authorities conducted numerous counternarcotics investigations during the year, which resulted in significant arrests, narcotics seizures, and the dismantling of major drug trafficking organizations. A number of judges were charged for allegedly taking bribes in exchange for favorable judgments or early prison release of defendants, including accused drug traffickers. A high profile police action on the island of Crete uncovered an organization selling marijuana and hashish to Western Europe. Greece is a party to the 1988 UN Drug Convention.

II. Status of Country

With an extensive coastline border, numerous islands, and land borders with other countries through which drugs can be transported, Greece’s geography has established it as a favored drug transshipment country on the route to Western Europe. Greece is also home to the world’s largest merchant marine fleet. It is estimated that Greek firms own one out of every six cargo vessels and control 20-25 percent of cargo shipments worldwide. The utilization of cargo vessels is the cheapest, fastest and most secure method to transport multi-ton quantities of cocaine from South America to distribution centers in Europe and the United States. Greece is not a significant source country for illicit drug production, and in general, the marijuana produced is usually destined for the domestic market. However, in late November 2007, a high profile police action in a small town on the island of Crete uncovered an organization selling locally grown marijuana and hashish to coffee houses in Amsterdam. Hellenic authorities also recently arrested an individual who was mailing anabolic steroids, which were later found to have originated in Russia, from Greece to the United States. (Use of anabolic steroids is legal in Greece, but it is illegal to ship them to countries where they are categorized as a controlled substance.) The investigation is ongoing.

III. Country Actions Against Drugs in 2007

Policy Initiatives. Greece participates in the Southeast European Cooperative Initiative’s (SECI) anticrime initiative, in the work of the regional Anti-Crime Center in Bucharest and in its specialized task force on counternarcotics. Enhanced cooperation among SECI member states has the potential to disrupt and eventually eliminate the ability of drug trafficking organizations to operate in the region.

Law Enforcement Efforts. Several notable joint U.S./Hellenic counternarcotics investigations occurred during 2007 with significant arrests and seizures. Drug trafficking organizations in the Balkan region, including Greece, usually transport southwest Asian (SWA) heroin from the Middle East and Turkey to Western Europe. Recent investigations and trends indicate more frequent cocaine seizures by Hellenic authorities.

During May 2007, Hellenic authorities seized 25 kilograms of cocaine hidden under coal contained in a maritime container. This shipment originated in South America.

During June 2007, the Athens Country Office and Hellenic Authorities concluded a ten-month investigation of a large-scale international cocaine trafficking organization. Five individuals were arrested after the seizure of 26 kilograms of cocaine and the discovery of a clandestine cocaine laboratory. This investigation confirmed DEA intelligence that international drug trafficking organizations are now shipping cocaine base to clandestine laboratory locations in Europe where it is converted into cocaine hydrochloride.

On July 12, 2007, the Hellenic Coast Guard (HCG), in cooperation with the Hellenic Customs Service (HCS), seized 52 kilograms of cocaine from a ship near Patras, Greece. The cocaine was secreted within two (2) boxes of bananas and originated in Ecuador.

On July 24, 2007, the Special Control Service, (YPEE) seized 19.6 kilograms of cocaine hidden within a container of sugar sent from Bolivia via Greece with an ultimate destination of Albania. The cocaine was found located inside the wooden pallets used to transport sacks of sugar.

On November 11, 2007, YPEE seized approximately 80 kilograms of cocaine that was hidden inside the doors and the frame of the container which had originated in Ecuador. A few months earlier, this organization had shipped 80 kilograms of cocaine via this method which was seized in Croatia.

Corruption. Officers and representatives of Greece's law enforcement agencies are generally under-trained, underpaid, under-appreciated, and overworked. According to numerous press reports, corruption in law enforcement is not uncommon. Transparency International's corruption rating of Greece places it in the lowest ranks of European Union member states. Prime Minister Karamanlis has made anti-corruption a key element of his party's program, and the government has taken steps to implement anti-corruption measures.

As a matter of government policy, Greece neither encourages nor facilitates illicit production or distribution of narcotics, psychotropic drugs, or other controlled substances or the laundering of proceeds from illegal drug transactions. No known senior official of the GOG engages in, encourages, or facilitates the illicit production or distribution of such drugs or substances, or the laundering of proceeds from illegal drug transactions.

Agreements and Treaties. Greece is a party to the 1988 UN Drug Convention, the 1971 UN Convention on Psychotropic Substances, and the 1961 UN Single Convention as amended by its 1972 Protocol. An agreement between Greece and the United States to exchange information on narcotics trafficking has been in force since 1928. A mutual legal assistance treaty and an extradition treaty between the U.S. and Greece are in force. The United States and Greece also have concluded a customs mutual assistance agreement (CMAA). The CMAA allows for the exchange of information, intelligence, and documents to assist in the prevention and investigation of customs offenses, including the identification and screening of containers that pose a terrorism risk. Greece has signed, but has not yet ratified, the UN Convention against Transnational Organized Crime and the UN Convention against Corruption.

Cultivation/Production. Cannabis is the only illicit drug produced in Greece, with the single exception of a clandestine cocaine laboratory discovered in July. Cannabis is cultivated in relatively small amounts and apparently intended for local consumption. However as cited above, it was discovered in November that an organization on Crete was selling marijuana and hashish for a number of years in parts of Western Europe.

Drug Flow/Transit. Greece is part of the "Balkan Route" and as such is a transshipment country for Southwest Asian heroin, coming primarily from Afghanistan via Turkey, hashish and marijuana coming predominantly from the Middle East and Africa. Metric ton quantities of marijuana and smaller quantities of other drugs (principally synthetic drugs) moving east are smuggled across the borders from Albania, Bulgaria, and the Republic of Macedonia. Hashish is off-loaded in remote

areas of the country and transported to Western Europe by boat or overland. Larger shipments are smuggled into Greece in shipping containers, on bonded Trans-International Routier (“TIR”) trucks, in automobiles, on trains, and in buses. Some Southwest Asian heroin is smuggled into the United States but there is no evidence that significant amounts of narcotics are entering the United States from Greece. There also has been some suggestion that Turkish-refined heroin is traded for Latin American cocaine, however to date there is no proof.

Domestic Programs (Demand Reduction). Drug addiction continues to climb in Greece. According to the National Documentation Center for Narcotics and Addiction run by the Mental Health Research Institute of the Medical School of the University of Athens, 9.1 percent of the Greek population between 12 and 64 years of age report that they have used an illegal substance one or more times in their life. The most commonly used substances are chemical solvents, marijuana, and heroin. There has been a surge in the illegal use of tranquilizers and, to a lesser extent, Ecstasy pills, that reflects developments in the growing European synthetic drug market. The GOG estimates that there are between 20,000 and 30,000 addicts in Greece of whom about 19,000 are addicted to heroin, of whom 9,500 use injecting heroin, with the addict population growing. Recent enforcement trends indicate a rise in the distribution and use of cocaine within Greece and in Europe in general. Cocaine use has tripled in Europe over the past decade.

The Organization Against Narcotics (OKANA) is the state agency that coordinates all national drug treatment policy in Greece. It has 55 therapeutic rehabilitation centers, of which 33 offer “drug free” programs, seven offer methadone substitution programs, and 10 offer buprenorphine substitution programs. The average number of addicts treated in 2005 was 4,248, and the total number of those who received therapeutic treatment was slightly less than 6,000. OKANA has 69 prevention centers in 48 of the 52 regions in Greece, and treated 3,275 addicts in “drug free” therapeutic programs in 200 and 597 in substitution programs. 3,257 persons were registered in waiting lists for substitution programs. OKANA plans to extend its program to other regions and to open it to more addicts, but its plans are threatened by strong local reactions against the establishment of such treatment centers. In June 2005, the Mayor of Athens, in collaboration with the national broadcasting organization and the drug rehabilitation organization KETHEA, opened four narcotics prevention centers in Athens. The centers offer prevention, support and awareness services, and refer addicts to rehabilitation/detoxification centers in Greece.

IV. U.S. Policy Initiatives and Programs

Bilateral Cooperation. DEA officers work with the Greek police to support coordination of regional counternarcotics efforts. As reported above, in June 2007, DEA officers and the Greek police closely coordinated a ten-month investigation of a large-scale international cocaine trafficking organization resulting in the arrest of five individuals and the seizure of 26 kilograms of cocaine along with the discovery of a clandestine cocaine laboratory. In March, DEA and Greek Police attended a seminar sponsored by the U.S. Consulate General in Thessaloniki Greece designed to promote cross-border cooperation in regional anti-smuggling efforts.

The Road Ahead. The United States continues to encourage the GOG to participate actively in international organizations focused on narcotics assistance coordination efforts, such as the Dublin Group of narcotics assistance donor countries. The DEA will continue to organize regional and international conferences, seminars, and workshops with the goal of building regional cooperation and coordination in the effort against narcotics trafficking.

Hungary

I. Summary

Hungary continues to be a primary narcotics transit country between Southwest Asia and Western Europe due to its combination of geographic location, a modern transportation system, and the unsettled political and social climate in the neighboring countries of the former Yugoslavia. Since the collapse of communism in Europe, Hungary has become a significant consumer of narcotics as well. Drug abuse, particularly among persons under 40 years of age, rose dramatically during the nineties and continues to increase. The illicit drugs of choice in Hungary are heroin, marijuana, amphetamines, and Ecstasy (MDMA). Although the abuse of opium-poppy straw, barbiturates and prescription drugs containing benzodiazepine is growing, their share in total drug abuse is declining. In the lead up to its accession to the European Union in May 2004, Hungary adopted and amended much of its narcotics-related legislation to ensure harmonization with relevant EU narcotics law. Since 2004, the Ministry of Social Affairs and Labor has been the lead ministry in all matters related to narcotics issues. Hungary continues to expand the collection and reporting efforts of its National Narcotics Data Collection Center. The Center was established in February 2004 to report valid, comparable and reliable data on drug abuse trends to the European Monitoring Center for Drugs and Drug Addiction. Hungary met Schengen Standards for border control and joined the Schengen area on December 21, 2007. Hungary is a party to the 1988 UN Drug Convention.

II. Status of Country

Hungary continues to be a primary transit route for illegal narcotic smuggling from Southwest Asia and the Balkans into Western Europe. Traditional routes in the Balkans that had been disrupted due to instability in the former Republic of Yugoslavia are again being utilized to transport narcotics. Hungarian Ministry of Justice and Law Enforcement and Border Guard officials reported narcotics smuggling to be especially active across the Ukrainian, Romanian and Serbian borders. Foreign organized crime, particularly from Albania, Turkey, and Nigeria, controls the transit and sale of narcotics in Hungary. Concurrently, Hungarian drug suppliers and criminal networks are getting stronger as well and involve an increasing number of immigrants and ethnic minorities in the transport, sale, and distribution of narcotics. Officials report the increasing seriousness of Hungary's domestic drug problem, particularly among teens and those in their twenties.

III. Country Actions Against Drugs in 2007

Policy Initiatives. Legislation passed in spring 2007 enabled law enforcement to streamline its process in charging an individual for possessing drugs for commercial use when the amount seized is over a certain threshold. There is an individual threshold set for each situation depending on the drug seized and the circumstances of the individual at the time of arrest. The Drug Prevention Coordination Committee, created in 1998, facilitates the implementation of the country's national counternarcotics strategy and coordinates among different ministries and national authorities to combat drug abuse. A National Narcotics Data Collection Center (NDCC), established in 2004, in the National Epidemiological Center of the National Public Health Network, is charged with the compilation of an annual report of data for the European Monitoring Center for Drugs and Drug Addiction. The National Drug Prevention Institute (NDPI) was set up in 2000 to provide technical and financial support for drug action teams in cities with populations over 20,000. The NDPI encourages the creation of local fora composed of officials of local government institutions, law enforcement agencies, schools and non-governmental organizations to create local drug strategies customized for local needs. The GOH has employed programs for combating drug use at schools since 1992, however, given the shortage of police trainers and funding, there continue to be

problems with increasing drug dealing at schools. Research findings from the NDCC as well as the Ministry of Social Affairs and Labor indicate that the rate of experimentation and use of narcotics is steadily increasing. One in five youth have tried marijuana; one-third of these are under the age of fourteen. The drugs of choice for youth are marijuana, Ecstasy, and to a lesser extent LSD.

Law Enforcement Efforts. Hungary met Schengen standards for border control by the end of December 2007, and joined the Schengen area. The Hungarian Border Guards were merged with the Hungarian National Police and greater cooperation, information sharing, and efficiency in border interdiction is expected. Preliminary data indicate that seizures of Ecstasy and cocaine continued to increase between 2006 and 2007. Accession to the European Union (EU) provided Hungarian border guards and national police forces with greater access to modern electronic detection equipment provided by the European Union to certain high-threat border posts. This equipment was initially installed in 2003, and has continued to result in improved border interdiction of all types of contraband. Expanded investigative authorities and cooperation between the Hungarian border guards and the Hungarian national police, coupled with investigative agreements with neighboring countries, have also played a significant role in increasing Hungary's ability to interdict shipments of narcotics. Despite these successes, Hungary continues to be a significant transshipment point for narcotics destined for, and sent from, Western Europe. The Hungarian Ministry of Finance and the national headquarters of the Customs and Finance Guard supported anti-narcotics and anti-smuggling activities as well. These groups jointly planned and staged actions related to crime and border security that were specifically designed to prevent drug trafficking and a wide range of illicit transit and smuggling activities.

In connection with Hungary's accession to the European Union, the Hungarian Ministry of Interior had prepared a unified drug interdiction strategy for the Hungarian National Police and Border Guards for the Period 2005-2012 in line with the requirements of the EU drug strategy. The stated goals of this strategy are to guarantee the security of society, combat the illegal production and smuggling of drugs and precursors, facilitate joint actions with the EU member countries, as well as combat production, trading and consumption of synthetic drugs.

According to the Ministry of Social Affairs and Labor, the number of criminal drug cases has continued to increase. Much of the increase is attributed to the transition from penalty-based court and social systems to treatment-based court and social systems, which are alleged to have eliminated negative individual consequences for drug use. The cooperation between the Hungarian National Police (HNP) and the U.S. Drug Enforcement Administration (DEA) Office in Vienna, Austria, has slowly improved. Number and quantity of seizures by the Police and Customs of illicit drugs for 2006, as reported by the Institute for Forensic Sciences, are below:

Illicit Drug	Seizures	Quantity
Herbal cannabis (kg)	1540	266.5
Cannabis plant (pieces)	50	3529
Cannabis resin (kg)	67	3.0
Heroin (kg)	144	131.1
Cocaine (kg)	113	7.3

Amphetamines (kg)	368	21.81
Methamphetamine (kg)	11	0.013
Ecstasy (tablet)	145	13,8278
LSD (dose)	13	2148

Corruption. As a matter of government policy, Hungary does not encourage or facilitate the illicit production or distribution of drugs or substances, or the laundering of proceeds from illegal drug transactions. No cases of official corruption have come to the USG's attention. The Hungarian Government aggressively enforces its narcotics-related laws. In addition, it takes administrative steps (e.g., the regular re-posting of border guards) to reduce the temptation for corruption whenever it can. On the other hand, it is difficult to assess accurately the scope and success of Hungarian efforts to combat corruption, when the GOH treats corruption-related information and prosecutions as classified national security information.

Agreements and Treaties. Hungary is party to the 1961 UN Single Convention, as amended by the 1972 Protocol, the 1971 UN Convention on Psychotropic Substances, and the 1988 UN Drug Convention. A mutual legal assistance and an extradition treaty between the U.S. and Hungarian Governments have been in force since 1997. These agreements have paved the way for closer cooperation between U.S. and Hungarian law enforcement agencies. In addition, in December 2006 the Hungarian National Assembly ratified the UN Convention against Transnational Organized Crime and its protocols against trafficking in persons and migrant smuggling. The United States and Hungary have a bi-lateral extradition treaty and mutual legal assistance treaty in effect. Hungary is a party to the UN Corruption Convention.

Cultivation/Production. GOH authorities report that marijuana is cultivated in western Hungary with seeds being transported in from Slovakia; Ecstasy and LSD may also be manufactured locally, however, to date no production laboratories have been discovered. All other illegal narcotics are smuggled into Hungary, not produced in Hungary.

Drug Flow/Transit. The Hungarian National Police report that synthetics are transported into Hungary from newly established labs in Serbia. They also report that the source of synthetics and cocaine is the Netherlands and of heroin Turkey and Albania via Romania. Long-term resident Albanians, Turks and Nigerians are involved in trafficking. Budapest's Ferihegy International Airport continues to be an important stop for cocaine transit from South America to Europe. Synthetic drugs such as Ecstasy are transported into Hungary, frequently via car from the Netherlands and other Western European countries.

Domestic Programs/Demand Reduction. Hungarian ministry officials report the drug abuse is significantly higher among youth between the ages of 12-25 and truly addicted drug abusers are more commonly found in the 25-34 age group. The majority of addicted drug abusers are male, with an average age of 25 years, and use amphetamines, heroin, or Ecstasy. Drug prevention programs are taught to teachers as part of the normal teacher education training. Public schools in Hungary include several drug prevention and health promotion programs in their normal education program. The life skills program is the largest of the counternarcotics programs and was developed in the early nineties with INL assistance through USIA. Through 2005, the fifteen year program has trained nearly 12,000 teachers and educators. Community-based prevention efforts are primarily focused on the teen/twenties age group and provide information about the dangers of

substance abuse while emphasizing active and productive lifestyles as a way of limiting exposure to drugs.

There are approximately 230 healthcare institutions that care for drug patients in Hungary. The Ministry of Health continues to establish and fund drug outpatient clinics in regions where such institutes are not yet available. The 2003 amendment to Hungarian counternarcotics legislation was designed to shift the focus of criminal investigations from consumers to dealers. Before this amendment was enacted, Hungarian civil rights advocates claimed that the Hungarian narcotics law, among the toughest on users in Europe, subjected even casual users to stiff criminal penalties, while addicts were often exempted from prosecution. The 2003 amendment called the “diversion program” allowed police, prosecutors, and judges to place drug users in a 6-month government-funded treatment program or mandate participation in a counseling program instead of prison. Drug addicts are encouraged to attend treatment centers while casual users are directed to prevention and education programs. The amendment also provided judges with more alternatives and flexibility when sentencing drug users.

Due to the continued increase in the rate of drug use as well as drug-related crime in Hungary, the GOH has become dissatisfied with the results of the treatment-focused deterrence system and is currently considering a return to the punishment-based deterrence system. As a result, the constitutional court has begun to scale back treatment programs in its sentencing guidelines and focus again on prison sentences. However, the State Secretary for Drug Affairs has reconfirmed the GOH commitment to maintaining treatment programs, as an alternative to simple prison time for drug abusers. The number and proportion of drug users (including abusers of pharmaceuticals and inhalants) treated based on institution type in 2006 as reported by the Ministry of Health is below:

Institution Type	All Patients: Number/%	New Patients: Number/%
Addiction treatment centers	3,557/22.98	1,247/21.98
Specialized outpatient treatment centers	6,505/42.02	2,856/50.34
Child and youth psychiatric care centers	32/0.21	20/0.35
Psychiatric care centers	415/2.68	246/4.34
Psychiatric & addiction-treatment inpatient departments	4,971/32.11	1,304/22.99
Total	15,480/100.0	5,673/100.0

IV. U.S. Policy Initiatives and Programs

Bilateral Cooperation. The primary USG focus in support of the GOH counternarcotics efforts is through training and cooperative education at the International Law Enforcement Academy (ILEA). In addition, the U.S. DEA maintains a regional office in Vienna, Austria, that is accredited to Hungary to work with local and national Hungarian authorities. Health professionals in Budapest continue to benefit from training received in 2003 from doctors from the University of California, San Diego, who provided instruction to 200 drug treatment professionals in Budapest who continue

to provide advice and assistance to hospitals and clinics throughout Hungary to acquaint other medical professionals with American experiences in the field of diagnosis and treatment of drug addict offenders within the criminal justice system.

Road Ahead. The USG continues to support and encourage Hungarian legislative efforts to stiffen criminal penalties for drug offenses, and will continue to support GOH law enforcement efforts through training programs and seminars at the ILEA as well as through specialized in-country programs. The DEA office in Vienna continues its cooperative efforts with the Hungarian National Police to streamline the flow of actionable investigative information .

Iceland

I. Summary

Icelandic authorities do not have to confront significant levels of drug production or transit. Their focus is thus on stopping importation and punishing distribution and sale, with a lesser emphasis on prosecuting for possession and use. Overall seizures and narcotics offenses declined slightly during 2007, though authorities made record-setting seizures of amphetamines (24 kg) cocaine (3.7 kg) and ephedrine (220,000 tablets). Along with the government, secular and faith-based charities organize abuse prevention projects and run respected detoxification and treatment centers. Iceland is a party to the 1988 UN Drug Convention.

II. Status of Country

Illegal drugs and precursor chemicals are not produced in significant quantities in Iceland. The harsh climate and lack of arable soil make the outdoor cultivation of drug crops almost impossible. Icelandic authorities believe that the production of drugs, to the extent it exists, is limited to marijuana plants—now grown in quantities adequate to satisfy virtually all domestic demand—and the occasional small-time amphetamine laboratory. Most illegal drugs in Iceland are smuggled in through the mail, inside commercial containers, or by airline and ferry passengers. The chief illicit drugs entering Iceland, mainly from Denmark, are cannabis and amphetamines, with the latter becoming increasingly common during recent years as part of a trend of stimulant drug use that also involved heightened levels of cocaine in circulation. According to authorities there were 97 cases of importation of drugs and precursors in 2007 (latest available National Commissioner of Police figures through December 27). Icelandic officials raised concerns during the year that drug smuggling into Iceland could be tied to eastern European and Baltic organized crime groups, and said publicly that investigation and interdiction efforts were being redirected accordingly. Results of the first Youth in Europe – Drug Prevention Program study on prevention efforts demonstrated that controlled substance use is less widespread among Icelandic adolescents compared to adolescents in nine European cities that also participate in the program.

III. Country Actions Against Drugs in 2007

Policy Initiatives. The Public Health Institute of Iceland, established in 2003, is responsible for alcohol and drug abuse prevention programs on behalf of the government. Programs are funded through an alcohol tax, with allocations overseen by the independent national Alcohol and Drug Abuse Prevention Council (ADAPC). The institute collects data; disseminates information on use of intoxicants; supports health improvement projects; and funds and advises local governments and non-governmental organizations working primarily in prevention. During the year it made grants worth roughly \$940,000 to a total of 63 groups and projects across the country. The institute is part of the Nordic Council for Alcohol and Drug Research, which promotes and encourages a joint Nordic research effort on drug and alcohol abuse. Authorities have documented a substantial upward trend in narcotics violations over the past several years (from 1816 in 2005, to 2098 in 2006, and 1842 as of December 27, 2007). While one explanation may be escalating drug use, another is a 2002 National Commissioner of Police decision to increase enforcement against possession. Police nationwide have intensified surveillance in public places and initiated searches of suspicious individuals, while also improving interdiction training for border police and customs officials.

The Youth in Europe – Drug Prevention Program that is based on the conclusions of an Icelandic research program on drug prevention expanded to a total of 15 cities this year. The Icelandic

program, Drug Free Iceland 1997-2002, was launched by the City of Reykjavik and resulted in a substantial reduction in teen drug use between 1998 and 2004. The European program, Youth in Europe, has been based on key results from the Icelandic project and emphasizes the importance of organized leisure activities, as well as time spent with parents, as the Icelandic study showed that these reduced the likelihood of drug use. The program is sponsored by the pharmaceutical company Actavis Group, headquartered in Iceland, and is administered and coordinated by the City of Reykjavik, the University of Iceland, and Reykjavik University.

Law Enforcement Efforts. In 2007, KEF authorities made 54 seizures compared to a total of 49 in 2006. Nationwide drug seizure highlights include:

- In January, Reykjavik Metropolitan police arrested a man and confiscated between 300 and 400 cannabis plants.

- In February, police arrested a couple that was driving a car in northern Iceland on charges of possessing roughly 700 grams of hashish.

- In February, Reykjavik Metropolitan police arrested a man and seized roughly 30,000 steroid tablets and ampules in his home and elsewhere.

- In February, Icelandic Customs seized the largest ever attempted shipment of smuggled ephedrine tablets, 220,000 tablets.

- In February, KEF police arrested two women with 680 grams of cocaine hidden both internally and on their person.

- In February, Reykjavik Metropolitan police arrested a man and confiscated 3.7 kg of cocaine from a recently imported car that he had just taken delivery of. This is the largest seizure of cocaine ever in Iceland. Police arrested three more individuals in connection with the case.

- In March, Reykjavik Metropolitan police arrested a man in his home and confiscated 700 grams of hashish and 50 MDMA tablets.

- In April, customs officials stopped a Dutch couple arriving at KEF and confiscated 1.1 kg of cocaine that they had hidden on their person, and internally.

- In April, Sudurnes police arrested a man with approximately 700 doses of LSD in his possession.

- In June, KEF police arrested a man for smuggling 2 kg of cocaine in his luggage.

- In August, KEF police arrested a 16-year-old girl and a 28-year-old man for importing 500 grams of cocaine that they had concealed internally.

- In September, Reykjavik Metropolitan police confiscated 1.8 liters of liquid cocaine, the equivalent of 600 grams of powder cocaine, which came in an express delivery from the United States.

- In September, a major police operation led to a confiscation of 40 kg of narcotics, the largest quantity ever in a single seizure: 24 kg of amphetamines (also a record), 14 kg of Ecstasy tablet powder, and 1,800 Ecstasy tablets. SWAT Police, the Icelandic Coast Guard, and members of the Narcotics Department of the Reykjavik Metropolitan police stormed a sail boat docked at a harbor in a small town in eastern Iceland where they made the seizure. The operation was a cooperative effort between the Icelandic police and Europol. The investigation extended to other parts of the country and the European mainland. Police arrested five Icelanders in connection with the case.

- In November, Keflavik Customs seized 5 kg of amphetamines and approximately 500 g of cocaine in an express delivery from Germany. This is the largest confiscation of hard drugs ever found in an express delivery to Iceland.

-- In December, KEF police arrested a German man for importing 23,000 Ecstasy pills in his luggage. This is the largest seizure of Ecstasy pills where Iceland is the destination country.

During the year, police seized nearly 8 kg of hashish, 32 kg of amphetamines, 6 kg of cocaine, 1.8 kg of liquid cocaine, 1,700 units of LSD, 25,927 Ecstasy pills, 14 kg of powder for Ecstasy production, and confiscated approximately 1,118 cannabis plants (latest available National Commissioner of Police figures). In 2007, KEF authorities seized a total of 23,410 Ecstasy pills, 350 g of hashish, 5.7 kg of cocaine, and 5.3 kg of amphetamines.

The National Police Commissioner and the Sudurnes (formerly Keflavik Airport) Police Commissioner have expressed concern about attempts at infiltration into Iceland by Eastern European gangs and criminals from the Baltic States. In the past, police have cooperated with Nordic officials to prevent the entry of biker gang members suspected of attempting to expand their criminal operations to Iceland. In November police and border guards prevented the entry of eight members of Hell's Angels, who came to Iceland to celebrate the eleventh anniversary of Fafnir, an Icelandic biker gang. Customs and police deployed drug-sniffing dogs to popular outdoor festivals on a holiday weekend in early August to deal with drug distribution among attending youths.

Corruption. There were no reports of narcotics-related public corruption in Iceland. The country does not, as a matter of government policy, encourage or facilitate the illicit production or distribution of narcotic or psychotropic drugs or other controlled substances, or the laundering of proceeds from illegal drug transactions. No senior official of the government is known to engage in, encourage, or facilitate the illicit production or distribution of such drugs or substances, or to be involved in the laundering of proceeds from illegal drug transactions. In May, a former guard at Iceland's main prison, Litla-Hraun, was given a six month-suspended sentence for attempting to smuggle hashish and amphetamines into the prison for sale to inmates in 2006, and money laundering on the job as a public official. The guard, a temporary summer hire, admitted to having made eight attempts at smuggling drugs into the prison.

Agreements and Treaties. Iceland is a party to the 1988 UN Drug Convention, the 1971 UN Convention on Psychotropic Substances, and the 1961 UN Single Convention on Narcotic Drugs and its 1972 Protocol. Iceland has signed, but has not yet ratified, the UN Convention against Transnational Organized Crime. An extradition treaty is in force between the U.S. and Iceland.

Drug Flow/Transit. Authorities consider Iceland a destination country for narcotics smuggling rather than a transit point.

Domestic Programs/Demand Reduction. Heroin abuse is virtually unknown in Iceland. Cannabis is the prevalent drug among persons under 20, while older addicts are partial to injecting morphine. Ecstasy, cocaine (but not crack cocaine), and particularly amphetamines are popular on the capital region's weekend club scene. Most alcohol and drug abuse treatment is taken on by SAA, the National Center of Addiction Medicine. Individuals with less acute problems may turn to Samhjalp, a Christian charity that uses faith-based approaches to treating addiction, and Gotusmidjan, a treatment center for individuals, 15-20 years old, is operated in conjunction with the Government Agency for Child Protection. SAA was founded in 1977 by a group of recovered addicts who wished to replicate the rehabilitation services they had received at the Freeport Hospital in New York. SAA now receives roughly two thirds of its annual budget from the government and makes detoxification and inpatient treatments available free to Icelandic citizens. While there can be waiting lists for long-term addicts, especially men, there is no wait for teenagers. SAA's main treatment center estimate for the number of admitted patients in 2007 is around 2,300. The National Hospital annually admits some 300 drug addicts (often those with complicating psychiatric illnesses).

The Directorate of Customs continued with its national drug education program, developed in 1999 and formalized in an agreement with the national (Lutheran) church in 2003, in which an officer accompanied by a narcotics sniffing dog informs students participating in confirmation classes about the harmful effects of drugs and Iceland's fight against drug smuggling. Parents are invited to the meetings in order to encourage a joint parent-child effort against drug abuse. The Directorate of Customs and the national church launched an educational website in February, which expounds the message of the program, including drug awareness, information about the Directorate of Customs, and healthy living.

IV. U.S. Policy Initiatives and Programs

Bilateral Cooperation. DEA has enjoyed good relations with Icelandic law enforcement authorities on information exchanges.

The Road Ahead. The DEA office in Copenhagen and the Regional Security Office in Reykjavik have developed good contacts in Icelandic law enforcement circles for the purpose of cooperating on narcotics investigations and interdiction of shipments. In the past year the Embassy's Regional Security Office has facilitated contacts between U.S. law enforcement agencies and Icelandic authorities on implementing advanced screening techniques, scrutinizing identity documents, and developing intelligence on traffickers. The USG's goal is to maintain the good bilateral law enforcement relationship that up to now has facilitated the exchange of intelligence and cooperation on controlled deliveries and other areas of mutual concern. The USG will continue efforts to strengthen exchange and training programs in the context of its ongoing effort to improve law enforcement, homeland security, and counterterrorism ties with Iceland.

Ireland

I. Summary

The Republic of Ireland is not a transshipment point for narcotics to the United States, nor is it a hub for drug trafficking. According to Government of Ireland (GOI) officials, overall drug use in Ireland continues to remain steady, with the exception of cocaine use, which continued its upward trend. Seizures have also increased as domestic traffickers attempt to import drugs in larger quantities. The GOI's National Drug Strategy aims to reduce drug consumption significantly through a concerted focus on supply reduction, prevention, treatment, and research. The GOI signed the European Arrests Warrant Act 2003, through which Irish police (Garda) can work with police forces of other EU countries to detain suspects in Irish narcotics cases. Also in 2004, Ireland enacted the Criminal Justice Act, enabling Irish authorities to investigate international criminality in close cooperation with EU Member States. Ireland is a party to the 1988 UN Drug Convention.

II. Status of Country

Ireland is not a transit point for drugs to the United States, but it is occasionally used as a transit point for narcotics trafficking to other parts of Europe, including across its land border to Northern Ireland, which, of course, is part of the United Kingdom. Ireland is not a significant source of illicit narcotics, though, in a single raid in 2004, officials found a quantity of precursors intended to manufacture around Euro 500 million worth of Ecstasy and amphetamines.

III. Country Actions Against Drugs in 2007

Policy Initiatives. The GOI continued to implement the National Drug Strategy for 2001-2008. Its goal is to “to significantly reduce the harm caused to individuals and society by the misuse of drugs through a concerted focus on supply reduction, prevention, treatment and research.” Since the 2003 launch of a National Awareness Campaign on Drugs, substance abuse programs have become part of every school curriculum in the country. The campaigns feature television and radio advertising, and lectures by police, supported by an information brochure and website, all designed to promote greater awareness of and communication about drug issues. Regional Drug Task Forces (RDTF), set up to examine narcotics issues in local areas, were operational throughout the country.

In March 2007, the Minister for Community, Rural, and Gaeltacht Affairs announced a 16 percent increase in funding to tackle drug misuse. The increased funding enables a doubling of the amount available for the roll-out of action plans of the RDTFs, the implementation of 67 projects in Local Drugs Task Force areas, and the implementation of initiatives under the Young People's Facilities and Services Fund. The National Advisory Committee on Drugs (NACD) and the National Drug Strategy Team (NDST) published a Cocaine Briefing Paper in March. It contained 13 recommendations which are being followed up with the appropriate Government Departments and Agencies and monitored through the Inter-Departmental Group on Drugs (IDG). The Criminal Justice Act 2007 was signed into law on May 10. The Act contains a number of changes to the criminal justice system, including increased Garda detention powers, changes to existing provisions in relation to the right to silence, and the introduction of mandatory sentencing for a range of drug related offences. A Program for Government, agreed by Government parties on June 12, committed the GOI to implementation of the recommendations of the Working Group on Drugs Rehabilitation, including providing extra detox beds and dedicated community employment places. Two cocaine-specific treatment centers will be established and several approved pilot cocaine projects will be supported. The Government will support the development of projects by local and regional Drugs Task Forces and targeted Garda counternarcotics use programs in schools and third-

level institutions, and will continue to use the Young People's Facilities and Services Fund to assist in the development of youth facilities and services in disadvantaged areas. In October, the Minister for Justice, Equality and Law Reform announced that Ireland is one of seven countries participating in a new Portugal-based Maritime Analysis and Operations Centre-Narcotics (MAOC-N) to monitor drug trafficking in the Atlantic Ocean. The Centre will focus primarily on transatlantic drug smuggling routes from Latin America and increasingly from Africa. In November, the Minister for Justice, Equality and Law Reform, published the Policing Priorities for the Irish Police for 2008. The top priority is to tackle gun crime, organized crime and drugs.

Accomplishments. Prosecutions increased in 2006, the majority of which were for drug possession, which has risen steadily since 2003, and accounted for 73.2 percent of the total drug offences prosecuted in 2006. The number of simple possession offences increased from 7,432 in 2005 to 8,556 in 2006. The number of supply offences leading to a prosecution in 2006 was 2,525, representing 21.6 percent of the total number of offences prosecuted. The Irish Police continued to cooperate closely with other national police forces. In October, Irish Police arrested three men for their part in an international drug-dealing network which involved the importation of cocaine from South America via the postal system, following information from Belgian authorities.

Law Enforcement Efforts. Although official statistics are not yet available for 2007, the Irish Police confirmed that drug-related arrests remained roughly constant over the previous three years. There are normally 7,000-8,000 arrests annually, including the approximately 450 arrests made by the Garda National Drug Unit (GNDU) each year. The GNDU's arrests tend to include most of the large seizures, but local police also have had success. For example, the Irish Police and the Irish Customs Service seized 1,525 kilograms of cocaine (valued at Euro 105 million, the largest ever seizure in the State) off the coast of Cork on July 2. The seizure followed the capsizing of a rigid inflatable boat. Police believe that the UK was the intended destination for the shipment. Six arrests (five British nationals and a Lithuanian national) were made in relation to this ill-fated smuggling operation. The six are to be tried in 2008. The drugs originated in South America and had been transported via the Caribbean through Spain on the U.S. flagged catamaran "Lucky Day."

Police sources said, contrary to widely-held perceptions, the value of cocaine seizures decreased in 2006 while the value of heroin seized increased fourfold to almost Euro 26 million. Sources said the rise in the amount of heroin being offered for sale was directly related to the large opium crops in Afghanistan.

A breakdown of the type and quantity of drugs seized by police in 2006 follows.

Garda Seizures Of Main Drugs 2006

Source: Garda Annual Report 2006

Type of drug	Quantity	Cases
Cannabis	289,292 grams	511
Cannabis Resin	6,951,803 grams	3,300
Cannabis Plants	606 plants	42
Heroin (Diamorphine)	128,097 grams	1,115
Ecstasy MDMA	146,013 tablets, 106 grams, 1,500 milliliters	769
Ecstasy MDEA	9 tablets	2

Type of drug	Quantity	Cases
Ketamine	21 grams	5
Amphetamines	37,922 grams 6,399 tablets	236
Cocaine	190,193 grams	1,324
Diazepam	35,500 tablets, 4 grams	129
Flunitrazepam (Rohypnol)	197 tablets	8
Flurazepam	417 capsules	22
Temazepam	9 tablets	6
Alprazolam	91 tablets	10
Methadone	2,336 milliliters	23
Dihydrocodeine	339 tablets	8
Ephedrine	106 tablets, 6 capsules, 1375 milliliters	4
Methylamphetamine	136 grams	20
Dimethyltryptamine	2,000 milliliters, 37 grams	4
LSD	1,528 units	1

In January, officers from the Garda National Drugs Unit arrested a man and seized Ecstasy tablets worth Euro 1.8 million in Dublin. In February, a man was arrested after the seizure of cannabis worth Euro 1.2 million in Dublin. Two men were arrested in May, after six kilograms of heroin with a potential street value of Euro 1.2 million was seized in Dublin. In June, police seized 10 kilograms of cocaine and 420 kilograms of cannabis with an estimated street value of Euro 3.5 million after a raid in a west Dublin industrial estate. In August, 1.1 MT of cannabis (valued at Euro 13 million) was discovered by customs officials in Dublin Port on board a freight consignment from South Africa. Also in August, Police seized cocaine valued at almost Euro 1 million and arrested one man in Co. Louth. Also in August, two men were arrested when cannabis, heroin, cocaine, and Ecstasy, estimated to be worth Euro 6 million, were found in Dublin after a major planned search operation by Police. In October, members of the Special Detective Unit (SDU) seized over eight kilograms of heroin, with an estimated street value of Euro 2 million in Dublin. Also in October, Police seized 200 kilograms of cannabis worth an estimated Euro 1.5 million during raids in Dublin.

Corruption. As a matter of government policy, the GOI does not encourage or facilitate illicit production or distribution of narcotic or psychotropic drugs or other controlled substances, or the laundering of proceeds from illegal drug transactions. Senior officials of the government do not engage in, encourage, or facilitate the illicit production or distribution of such drugs or substances, or the laundering of proceeds from illegal drug transactions.

Agreements and Treaties. An MLAT between the United States and Ireland was signed in January 2001 but has not yet entered into force. An extradition treaty between Ireland and the United States is in force. Ireland is a party to the 1998 UN Drug Convention, the 1961 UN Single Convention on Narcotic Drugs, as amended by the 1972 Protocol, and the 1971 UN Convention on Psychotropic Substances. Ireland has signed, but has not yet ratified, the UN Convention against Transnational Organized Crime and the UN Convention against Corruption.

Cultivation/Production. Only small amounts of cannabis are cultivated in Ireland. There is no evidence that synthetic drugs were produced domestically this year.

Drug Flow/Transit. Among drug abusers in Ireland, cocaine, cannabis, amphetamines, Ecstasy (MDMA), and heroin are the drugs of choice. A Council of Europe report on organized crime, published in January 2005, reported that Ireland had the highest rate of Ecstasy and amphetamine use in Europe and the second highest rate of cocaine abuse. The UN Office on Drugs and Crime (UNODC) World Drug Report 2007, published in June, placed Ireland in joint fifth place (out of 32 European countries) for cocaine use and in joint tenth place for Ecstasy use. South American cocaine, available in Ireland, comes primarily from Colombia and other countries in Latin America and the Caribbean. Heroin, cocaine, Ecstasy, and cannabis are often hidden in cars in either Spain or the Netherlands, and then driven into Ireland, by gang members posing as tourists, for distribution around the country. This distribution network is controlled by 6 to 12 Irish criminal gangs based in Spain and the Netherlands. Herbal cannabis is primarily imported from South Africa.

Domestic Programs/Demand Reduction. There are 7,390 treatment sites for opiate addiction, exceeding the GOI's National Drug Strategy target of 6,500 treatment sites. The Strategy also mandates that each area Health Board have in place a number of treatment and rehabilitation options. In January 2005, the ten health boards were replaced by a single entity, the Health Service Executive (HSE), which manages Ireland's public health sector. Since September 2005, health care is now provided through four HSE regions and 32 local health offices. For heroin addicts, there are 65 methadone treatment locations. The treatment centers treat 8,000 of Ireland's approximately 14,000 heroin addicts, 12,000 of whom live in Dublin. A total of 1,363 individual prisoners received methadone in Irish prisons, accounting for about 9 percent of the total population (12,157) sent to prison in 2006. In 2004, the GOI undertook an evaluation of drug treatment centers' to determine whether they were effective in reducing drug use. Four pilot projects to tackle cocaine use were announced in January 2005, following a number of reports indicating that abuse of the drug has increased substantially in recent years. The four projects are aimed at different types of drug users in Dublin's inner city and Tallaght and will differ in their approaches to dealing with cocaine abuse. The projects will include diversionary therapies aimed at mainly intravenous users, group drug counseling, individual drug counseling, and cognitive behavior therapy.

IV. U.S. Policy Initiatives and Programs

U.S. Policy Initiatives. In 2007, the United States continued legal and policy cooperation with the GOI, and benefited from Irish cooperation with U.S. law enforcement agencies such as the DEA. Information sharing between U.S. and Irish officials continued to strengthen law enforcement ties between the countries.

The Road Ahead. U.S. support for Ireland's counternarcotics program, along with U.S. and Irish cooperative efforts, continues to work to prevent Ireland from becoming a transit point for narcotics trafficking to the United States.

Italy

I. Summary

The Government of Italy (GOI) is firmly committed to the fight against drug trafficking domestically and internationally. The Prodi government continues Italy's strong counternarcotics stand with capable Italian law enforcement agencies. Italy is a consumer country and a major transit point for heroin transiting from the Middle East and southwest Asia through the Balkans, and for cocaine originating from South America en route to western/central Europe. Italian and Italy-based foreign organized crime groups are heavily involved in international drug trafficking. GOI cooperation with U.S. law enforcement agencies continues to be exemplary. Italy is a party to the 1988 UN Drug Convention.

II. Status of Country

Italy is mainly a narcotics transit and consumption country. Law enforcement officials focus their efforts on heroin, cocaine, and hashish. Although Italy produces some precursor chemicals, they are well controlled in accordance with international norms, and are not known to have been diverted to any significant extent. Law enforcement agencies with a counternarcotics mandate are effective.

III. Country Actions Against Drugs in 2007

Policy Initiatives. Italy continues to combat narcotics aggressively and effectively. In March 2006, Italy adopted a tougher new drug law that eliminates distinctions between hard and soft drugs, increases penalties for those convicted of trafficking, and establishes administrative penalties for lesser offenses. All forms of possession and trafficking are illegal but punishment depends on the severity of the infraction. Stiff penalties for those convicted of trafficking or possessing drugs include jail sentences from six to 20 years and fines of over \$300,000. The law provides alternatives to jail time for minor infractions, including drug therapy, community service hours, and house arrest. Some center-left political parties vowed to overturn this legislation once elected to office in May 2006, but the Prodi government, a center-left coalition of eight parties, has not done so. In April 2007, Minister of Health Livia Turco issued a decree that allows medicines derived from cannabis to be used in drug therapies to relieve severe and chronic pain. Minister of Social Solidarity Ferrero, who is designated as the GOI's overall drug coordinator, has publicly campaigned for new guidelines that raise the minimum amount of narcotics possession allowed, before punitive measures can be applied. Any proposal to change existing law would require consultation with other ministers (including the Justice and Interior Ministers), approval by the full cabinet, and a vote in parliament. In late October 2007, the lower house of the Italian parliament began to review the government's proposal to amend the law. At the multilateral level, Italy has contributed an average of \$12 million to UNODC, over the last several years, making it one of the largest donors to the UNODC budget. Italy has supported key U.S. objectives at the UN Commission on Narcotic Drugs (CND), and chairs the Dublin Group for Central Asia.

Law Enforcement Efforts. From January 1 to September 30, 2007, Italian authorities seized 1,516.9 kilograms of heroin; 2,981.1 kilograms of cocaine; 14,080.5 kilograms of hashish; 2,835.9 kilograms of marijuana; 1,515,147 marijuana plants; 305,195 doses and 5.8 kilograms of amphetamines; and 3,510 doses of LSD. In November 2006, a multilateral investigation involving DEA Rome, the Italian National Police (INP), the Italian Guardia di Finanza (GdF), as well as Colombian and Spanish authorities, successfully dismantled a major international cocaine trafficking and money laundering organization operating in South America and Europe. INP and

GdF personnel arrested 34 members of this organization, significantly impacting the drug trafficking and money laundering activities of several Italian organized crime groups.

In December 2006, a joint investigation between DEA Rome and the Italian Carabinieri, as well as law enforcement counterparts in France, Spain, Germany, Ecuador, and Colombia, culminated in the arrest of 90 members of a significant international drug trafficking organization responsible for multi-hundred kilogram cocaine shipments from South America to Italy. During the investigation, over 1,200 kilograms of cocaine, 4,800 kilograms of hashish and weapons were seized in Italy and other countries. The Carabinieri arrested 50 individuals in Italy and seized in excess of \$25 million in trafficker-owned assets. In January 2007, GdF officials in Trieste, Italy seized 110 kilograms of heroin (valued at \$70 million) from a truck, which had arrived on a ferry boat from Turkey. In May 2007, a joint DEA Milan and GdF money laundering investigation resulted in the identification and seizure of over \$6.2 million in drug proceeds from bank accounts in the U.S.

The fight against drugs is a major priority of the National Police, Carabinieri, and GdF counternarcotics units. The Italian Central Directorate for Anti-Drug Services (DCSA) coordinates the counternarcotics units of the three national police services and directs liaison activities with DEA and other foreign law enforcement agencies. Working with the liaison offices of the U.S. and western European countries, DCSA has 19 drug liaison officers in 18 countries (including the U.S.) that focus on major traffickers and their organizations. In 2006, DCSA stationed liaison officers in Tehran, Iran and Tashkent, Uzbekistan; in 2007 they added liaison officers in Kabul, Afghanistan, and Islamabad, Pakistan. Investigations of international narcotics organizations often overlap with the investigations of Italy's traditional organized crime groups (e.g. the Sicilian Mafia, the Calabrian N'drangheta, the Naples-based Camorra, and the Puglia-based Sacra Corona Unita). During a two-year investigation leading to a major drug bust in early 2005, Italian officials confirmed that a number of these organized crime groups were linked to drug trafficking. Additional narcotics trafficking groups include West African, Albanian, and other Balkan organized crime groups responsible for smuggling heroin into Italy. Colombian, Dominican, and other South American trafficking groups are involved in the importation of cocaine. Italian law enforcement officials employ the same narcotics investigation techniques used by other western countries. Adequate financial resources, money laundering laws, and asset seizure/forfeiture laws help ensure the effectiveness of these efforts.

Corruption. As a matter of government policy, Italy does not encourage or facilitate the illicit distribution of narcotics or the laundering of proceeds from illegal drug transactions. We have no information that any senior official of the Government of Italy engages in, encourages, or facilitates the illicit production or distribution of such drugs or substances, or the laundering of proceeds from illegal drug transactions. Corruption exists in Italy although in the area of counternarcotics it rarely rises to the national level and it does not compromise investigations. When a corrupt law enforcement officer is discovered, authorities take appropriate action.

Agreements and Treaties. Italy is a party to the 1961 UN Single Convention as amended by its 1972 Protocol, as well as the 1971 UN Convention on Psychotropic Substances, and the 1988 UN Drug Convention. Italy has signed, but has not yet ratified, the UN Corruption Convention. In August 2006, Italy ratified the UN Convention Against Transnational Organized Crime and its three protocols. Italy has bilateral extradition and mutual legal assistance treaties with the U.S. In May 2006, the U.S. and Italy signed bilateral instruments on extradition and mutual legal assistance to implement the U.S.-EU Agreements on Extradition and Mutual Legal Assistance signed in 2003.

Cultivation Production. There is no known large-scale cultivation of narcotic plants in Italy, although small-scale marijuana production in remote areas does exist, although mainly for domestic consumption. No heroin laboratories or processing sites have been discovered in Italy since 1992. However, opium poppy grows naturally in the southern part of Italy, including Sicily. It

is not commercially viable due to the low alkaloid content. No MDMA-Ecstasy laboratories have been found in Italy.

Drug Flow/Transit. Italy is a consumer country and a major transit point for heroin coming from southwest Asia through the Balkans enroute to western and central Europe. A large percentage of all heroin seized in Italy comes via Albania. Albanian heroin traffickers work with Italian criminal organizations as transporters and suppliers of drugs. Heroin is smuggled into Italy via automobiles, ferryboats and commercial cargo. Albania is also a source country for marijuana and hashish destined for Italy. Italy maintains a liaison office in Albania to assist Albanians in interdicting narcotics originating there and destined for either Italy or other parts of Europe. Almost all cocaine found in Italy originates with Colombian and other South American criminal groups and is managed in Italy mainly by Calabrian-based organized crime groups. Multi-hundred kilogram shipments enter Italy via seaports concealed in commercial cargo. Although the traditional Atlantic trafficking route is still in use, stepped-up international scrutiny and cooperation are forcing traffickers to use alternative avenues. Italian officials have detected traffickers using transit ports in West Africa where drugs are off-loaded to smaller fishing vessels that ultimately reach Spain and other Mediterranean destinations. Cocaine shipments off-loaded in Spain and the Netherlands are eventually transported to Italy and other European countries by means of land vehicles. Smaller amounts of cocaine consisting of grams to multi-kilogram (usually concealed in luggage) enter Italy via express parcels or airline couriers traveling from South America. Ecstasy found in Italy primarily originates in the Netherlands and is usually smuggled into the country by means of couriers utilizing commercial airlines, trains or land vehicles. Italy is also used as a transit point for couriers smuggling Ecstasy destined for the United States. A method used in the past by trafficking groups has been to provide thousands of Ecstasy tablets to couriers in Amsterdam concealed in luggage. The couriers then travel by train or airline to Italy; the EU's open borders make this journey somewhat less risky. Hashish comes predominately from Morocco through Spain, entering the Iberian Peninsula (and the rest of Europe) via sea access points using fast boats. As with cocaine, larger hashish shipments are smuggled into Spain and eventually transported to Italy by vehicle. Hashish also is smuggled into Italy on fishing and pleasure boats from Lebanon.

Catha Edulus (aka Khat) is a shrub grown in the southern part of Arabia and Eastern Africa, primarily in the countries of Yemen, Somalia, and Ethiopia. The leaves of this plant contain the alkaloids cathine and cathinone (chewed for stimulant effects), which are controlled substances in Italy and the U.S. Italy is one of several European countries used by East African trafficking organizations for the transshipment of khat to major urban areas across the U.S. These organizations primarily use international parcel delivery systems and airline passenger luggage to transport multi-kilogram to multi-hundred kilogram quantities of khat. Italian law enforcement officials continue to cooperate with DEA in joint investigations targeting these groups in Italy and the U.S.

Domestic Programs/Demand Reduction. The GOI promotes drug prevention programs using abstinence messages and treatment aimed at the full rehabilitation of drug addicts. The Italian Ministry of Health funds 544 public health offices operated at the regional level; the Ministry of Interior supports 730 residential, 204 semi-residential facilities, and 183 ambulatories. Of the 500,000 estimated drug addicts in Italy, 176,000 receive services at public agencies. Others either are not receiving treatment or arrange for treatment privately. The Prodi government continues to promote more responsible use of methadone at the public treatment facilities. For 2005, the Italian government budgeted \$141 million for counternarcotics programs run by the health, education, and labor ministries. Seventy-five percent of this amount is for regional programs and the remaining 25 percent is for national programs.

IV. U.S. Policy Initiatives and Programs

Bilateral Cooperation. The U.S. and Italy continue to enjoy exemplary counternarcotics cooperation. In January 2006, the Director of the Italian Central Directorate for Anti-Drug Services (DCSA) met with senior DEA leadership at DEA headquarters in Washington, DC, in furtherance of bilateral operations. In January 2007, DCSA hosted a working group conference of law enforcement counterparts from Europe, Africa, and the Middle East as part of the DEA's annual International Drug Enforcement Conference (IDEC). DEA and DCSA personnel continue to conduct intelligence sharing and coordinate joint criminal investigations on a daily basis. Based on the October 1997 International Conference on Multilateral Reporting in Lisbon, Portugal, the DEA Headquarters Chemical Section and DCSA continue to exchange pre-shipment notifications for illicit drug precursor chemicals. During 2007, DEA continued the Drug Sample Program with the GOI, which consists of the analysis of seized narcotics to determine purity, cuttings agents, and source countries. From January-October 2007, DEA received approximately 72 samples of heroin, cocaine, and Ecstasy. DEA has expanded this program to the countries of Slovenia, Croatia and Albania. The sample collection from these countries and others in the Balkans is essential in determining production methods and trafficking trends that ultimately impact Italy. DEA independently conducted drug awareness programs at international schools in Rome and Milan. DEA also provided training to Italian counterparts in the areas of asset forfeiture and drug law enforcement operations. In 2007, the U.S. Coast Guard dispatched two Mobile Training Teams to conduct courses in Advanced Small Boat Operations and Seaport Security/Anti-Terrorism. Italy is a charter member of the Maritime Analysis and Operations Center-Narcotics (MAOC-N) in Lisbon, which should bolster EU capacity to protect its southwestern flank.

The Road Ahead. The USG will continue to work closely with Italian officials to break up trafficking networks into and through Italy as well as to enhance both countries' abilities to apply effective demand reduction policies. The USG will also continue to work with Italy in multilateral settings, such as the Dublin Group of countries that coordinate counternarcotics, and UNODC policies.

Kazakhstan

I. Summary

In Kazakhstan, during the first nine months of 2007, there was an increase in the number of drug-related crimes, an increase in the volume of seized drugs, and a decrease in the number of registered female and underage drug addicts. Kazakhstan significantly increased counternarcotics operations. The Government of Kazakhstan (GOK) encouraged law enforcement agencies, NGOs, political parties and the media to join together to combat drugs. The number of people arrested for drug-related crimes in 2007 increased 13.4 percent. Cannabis-type drugs (hashish and marijuana) accounted for 95 percent of total seizures. Heroin seizures decreased by 1.7 percent. Kazakhstan continues implementation of two large-scale programs to combat corruption and drug trafficking announced by President Nazarbayev. Strengthening the borders, especially in the south, is a priority for the government. The GOK is devoting more attention and resources to interagency cooperation in the fight against drug supply and demand. Law enforcement services acknowledge that, without the assistance of civil society, NGOs, and the mass media, they will not be able to effectively combat the problem of narcotics. Kazakhstan is a party to the 1988 UN Drug Convention.

II. Status Of Country

Kazakhstan's geographic location, extensive development of its transportation infrastructure, the openness of borders with most neighboring countries, and the stability of the social and economic situation in the country have made Kazakhstan a major transit country for narcotics and psychotropic substances from Southwestern and Southeastern Asia to Russia and Europe. The main source of drugs is Afghanistan. Crimes related to the trafficking and sales of narcotics are taking on an increasingly dangerous transnational character. In response, law enforcement officers in Kazakhstan are developing relationships with their colleagues in Uzbekistan, Tajikistan, Turkmenistan and Kyrgyzstan.

III. Country Actions Against Drugs in 2007

Policy Initiatives. In November 2005, President Nazarbayev signed a decree approving a strategy to combat drug addiction and trafficking for 2006-2014. The purpose of the strategy is to create a full-scale system in which both the government and civil society counteract the problems of drug addiction and narco-business. The most important segments of the strategy include the dissemination of counternarcotics information; the strengthening of interagency and international cooperation in the fight against drug addiction and narco-trafficking; the strengthening of state agencies, including medical treatment centers; the improvement of legislation; the improvement of personnel training; and the development of educational programs.

The 2006-2008 "Astana-Drug Free City" program, announced by President Nazarbayev in September 2006, focuses on demand reduction, treatment of drug addiction, and combating drug trafficking. The Ministry of Internal Affairs (MVD), jointly with other law enforcement agencies, is charged with implementing this program. As a result of the program, law enforcements agencies in Astana reported 192 drug-related crimes this year, a figure 25.5 percent higher than last year. One hundred nineteen of the crimes related to the sale of drugs. Police closed 45 "drug markets" and two locations used by addicts to take pills, inject drugs, and smoke marijuana. As a result of special operations implemented in Astana 58.484 kg of drugs have been seized this year.

In order to avoid such incidents, the Ministry of Internal Affairs proposed legislation to allow for the destruction of drugs immediately after confiscation, leaving only small samples for evidentiary use. The MVD also submitted a draft law to improve criminal and criminal procedural legislation, and legislation on protection of witnesses and operative and investigative activity. In response to historic focus on quantity of seizures the MVD is working with the Procurator General's Office to prevent the inflation of seizure statistics and to improve the efficiency of law enforcement agencies. The MVD also submitted a draft law to increase the penalties for drug possession, large volume sales, and sales to minors. The draft also foresees increasing penalties against the owners of bars and clubs allowing the illegal use of drugs in their establishments.

Law Enforcement Efforts. Kazakhstan's law enforcement agencies seized 21,787 kg of drugs in the first nine months of 2007, compared with 22,549 kg during the same period last year. This figure includes 20,467 kg of marijuana (2.5 percent decrease), 378 kg of heroin (1.7 percent decrease), 197 kg of opium (47.2 percent decrease), and 187 kg of hashish (9.7 percent decrease). Cannabis-type drugs (hashish and marijuana) accounted for 95 percent of total seizures.

The GOK has also taken measures to deter narco-trafficking through its territory, including the establishment of internal checkpoints and strengthening border controls. These new measures, and the implementation of demand reduction programs, may have caused a decrease in narco-trafficking, also resulting in the decrease in total seizures. During the reporting period, all law enforcement agencies reported 8,271 drug-related crimes, up from 7,960 during the same period in 2006. Of these, MVD reported 7,807 crimes, the Committee for National Security (KNB) reported 258 and the Customs Control Committee (CCC) reported 192. Since the beginning of 2007, nine organized criminal groups were reportedly dismantled by law enforcement bodies. The Kazakhstani Supreme Court reported that in the January-September period, courts had 9,467 criminal cases related to illegal drug trafficking in process; 5915 cases were disposed of. Of these disposed cases, 6,112 people were convicted, 13 acquitted, and the cases against 54 people were dropped. The Committee on the Criminal Penitentiary System (CCPS) of the Ministry of Justice conducted programs to stop the flow of narcotics into correctional and pre-trial detention facilities. During the first nine months of this year, CCPS discovered 179 narcotics deliveries into correctional facilities. As a result, 26.516 kg of drugs, including 6.468 kg of heroin and 19.422 kg of cannabis-type drugs, were seized.

Uzbekistan President Islam Karimov proposed the idea of a Central Asia Regional Information Coordination Center (CARICC) during the visit of UN Secretary-General Kofi Annan to Uzbekistan in October 2002. CARICC, which will be based in Almaty, will be the focal point for communication, analysis and exchange of operational information on transnational crime and will assist in organizing and supporting the coordination of joint operations to combat narcotics among member countries (Azerbaijan, Kyrgyzstan, Russia, Tajikistan, Turkmenistan, Uzbekistan and Kazakhstan). According to the Ministry of Foreign Affairs, 50 specialists will work in CARICC. According to recent information, the agreement establishing CARICC has been signed by all member-countries except for Russia. In order to prepare for full operation of CARICC, a pilot phase was launched on November 1, 2007. During this phase, personnel will be selected and the premises provided by the Government of Kazakhstan will be renovated. CARICC will be officially opened when all countries have signed and their parliaments have ratified the agreement.

Corruption. While it is difficult to determine the extent to which narco-trafficking has corrupted law enforcement officials, it is certain that some instances of corruption have hampered the country's efforts against drugs. All state agencies were mandated to take measures to combat corruption. One case illustrative of corruption, was a police official in the eastern Kazakhstan city of Semey sentenced to ten years in jail for his involvement in the sale of large amounts of narcotics. The official, who had worked in the police for 15 years, was arrested after attempting to force a young woman to sell 25 grams of heroin and pay him 35,000 KZT (\$300). The young

woman contacted the KNB, which organized an undercover operation. Police officers in the northern city of Pavlodar were found to have replaced 100 kg of heroin, stored as evidence, with baking soda and salt. Official representatives of the Procurator General's Office announced that, throughout the country, approximately 500 kg of seized drugs, including 29 kg of heroin and around three kg of opium were lost or stolen, while in government custody. As a matter of policy, however, the Kazakhstan government does not encourage or facilitate illicit production or distribution of narcotic or psychotropic drugs or other controlled substances, or the laundering of proceeds from illegal drug transactions.

Agreements and Treaties. Kazakhstan is party to the 1988 UN Drug Convention and has signed the Central Asian counternarcotics Memorandum of Understanding with UNODC. The Kazakhstan national anti-narcotics law, passed in 1998, specifically gives provisions of international anti-narcotics agreements precedence over national law.

Cultivation/Production. In addition to drug transit through the territory of Kazakhstan, marijuana cultivation in the Chu Valley represents an indigenous source of drugs. Marijuana grows naturally on an estimated 138,000 hectares of the Chu Valley. Each year the MVD, jointly with other law enforcement bodies, conducts a country-wide operation, "Operation Mak" (Russian for "poppy") aimed at stopping drug-related crimes and detecting and eliminating drug cultivation. This year the operation was conducted from May 25 through October 20 and reported 4,016 drug related crimes vice 3,621 last year. Of these crimes, 1,561 were related to the sale of narcotics. Operation Mak resulted in the detention of 2,428 offenders, including 50 citizens of foreign countries. Eighteen tons of drugs were seized (12.6 percent more than last year), including 49.414 kg of heroin and 17.967 tons of marijuana were up-rooted and destroyed. In an interview with "Liter" newspaper, the Head of the Division on Combating Drugs of Almaty city said that the cost of a kilo of marijuana is approximately 70,000 KZT (\$578)—a significant price increase over the past, which he attributed to the success of Operation Mak in the Chu Valley.

Drug Flow/Transit. The main flow of drugs, including heroin and opium, enters Kazakhstan from Central Asia and Afghanistan. Drug couriers are mainly residents of Central Asian countries drawn into illicit activities by poverty and high unemployment rates. Couriers rely on vehicles and trains to smuggle the majority of the narcotics into Kazakhstan. During the past year, law enforcement agencies have reported an increase in the seizure of European-produced synthetic drugs, such as Ecstasy and LSD. Recently, Russia has also become a source of synthetic drugs.

Domestic Programs. According to official statistics for the first nine months of 2007, there are 54,902 registered drug addicts in Kazakhstan. This represents a 0.4 percent increase from last year. Of the total, 7,085 were using synthetic dugs. There were 34,534 opiate users and 11,329 consumers of cannabis-type drugs (hashish, marijuana). The number registered as drug addicts under the age of 18 has decreased by 13.5 percent (4,652 registered last year vice 4,029 registered this year). The number of registered drug addicts 14 years old and younger has decreased by 28 percent. The number of registered drug addicts between the ages of 18 and 30 decreased by 2.5 percent. To effectively implement the demand reduction program in Kazakhstan, educational institutions conduct roundtable meetings with representatives of the Procuracy, the MVD, employees of mental hospitals, and others to define interagency actions on prevention of drug addiction. To decrease drug demand among the population, the public affairs sections of various agencies, including MVD and the Ministry of Culture and Information, disseminate information to citizens on the dangers of narcotics and report drug seizures through the mass media on a regular basis. Video clips and interactive programs are shown on TV and interviews are published in the newspapers. The MVD has launched a new campaign which involves cellular phone companies, the mass media, and other parts of society to distribute information in the form of booklets and audio and video clips asking the population to assist police by reporting crimes. The MVD has instituted help-lines and special boxes for the collection of information in Astana. Anyone can now

submit information on locations where drugs are sold and consumed. Moreover, the MVD has plans to pay rewards for information.

The MVD is working with the Ministry of Health to establish a system for the psychological rehabilitation and reintegration of drug addicts. The National Scientific and Practical Center of the Ministry of Health was established in 2001 within the framework of the Program on Combating Drug Addiction and Drug Trafficking. The Center develops, tests, and implements new methods of treatment, rehabilitation, and prevention. However, the number of doctors working with drug addicts has been decreasing over the past three years.

IV. U.S. Policy Initiatives and Programs

Policy Initiatives. A key USG goal is to develop a long-term cooperative relationship between law enforcement agencies of the United States and Kazakhstan. This relationship will enhance the professional skills Kazakh officers and improve the organization and management of Kazakhstani law enforcement services, thereby improving their ability to fight drug trafficking, drug consumption, and terrorism. A USG priority area in Kazakhstan is on border security programs. In 2007, a professional relationship was established between the Kazakhstani Military Institute of the Committee for National Security, which trains border guards, and the U.S. Border Patrol Academy. It is expected that a proposed student and faculty exchange program will further this relationship.

The Road Ahead. The USG will continue to provide technical assistance, equipment, and training to law enforcement and security services to improve the effectiveness of searches of trucks and trains. The USG will also work with training academies to improve curriculum and training methods.

Kyrgyz Republic

I. Summary

The Kyrgyz Republic continues to have only very modest domestic production of illicit narcotics or precursor chemicals, but it is a major transit country for drugs originating in Afghanistan and destined for markets in Russia, Western Europe, and to a limited extent, America. The Government of the Kyrgyz Republic (GOKG) attempts to combat drug trafficking and prosecute offenders. The GOKG has been supportive of international and regional efforts to limit drug trafficking and has initiated major initiatives to address its own domestic drug use problems. The GOKG recognizes that the drug trade is a serious threat and is focused on secondary and tertiary drug-related issues such as money laundering, drug-related street crime and corruption within its own government.

Drug abuse continues to be a serious issue in Kyrgyzstan. While the GOKG has been a supporter of counternarcotics programs, it is still struggling to deliver a clear and consistent counternarcotics strategy to either the Kyrgyz people or the international community.

Due to a change in leadership at the DCA (Specialized drug enforcement force) in August 2005, it appeared there was a positive change in direction for the DCA. After a period of readjustment of personnel and tactics, the DCA began a strong enforcement effort, exceeding agreed targets set for seizures during the second half of 2006.

In February 2007, the leadership of the DCA was again changed. The former Director, was elevated to Minister of the Interior, and a new DCA Director, took the reins of the DCA. Some top officials were lured away with the new minister, while others took positions within the MOI. The personnel turnover appeared to hamper DCA effectiveness. The Kyrgyz Republic is a party to the 1988 UN Drug Convention.

II. Status of Country

The Kyrgyz Republic shares a common border with China, Kazakhstan, Uzbekistan and Tajikistan. Mountainous terrain, poor road conditions, and an inhospitable climate for much of the year make detection and apprehension of drug traffickers more difficult. Border stations located on mountain passes on the Chinese and Tajik borders are snow covered and un-staffed for up to four months of the year. These isolated passes are some of the most heavily used routes for drug traffickers. Government outpost and interdiction forces rarely have electricity, running water or modern amenities to support their counternarcotics efforts. The Kyrgyz Republic is one of the poorest successor states of the former Soviet Union, relying on a crumbling infrastructure and suffering from a lack of natural resources or significant industry. Unlike some of its Central Asian neighbors, the Kyrgyz Republic does not have a productive oil industry or significant energy reserves. The south and southwest regions—the Osh and Batken districts—are the primary trafficking routes used for drug shipments from Afghanistan. The city of Osh, in particular, is the main crossroads for road and air traffic and a primary transfer point for narcotics into Uzbekistan and Kazakhstan and on to markets in Russia, Western Europe and the United States. The Kyrgyz Republic is not a major producer of narcotics itself; however, cannabis, ephedra and poppy grow wild in many areas.

III. Country Actions Against Drugs in 2007

Policy Initiatives. With U.S. assistance, the Kyrgyz Republic established its first inter-agency counternarcotics Mobile Interdiction Teams (MOBITS) in an effort to stem the trafficking of narcotics along its borders with Tajikistan and Uzbekistan.

Law Enforcement Efforts. The Drug Control Agency (DCA) was established in 2003 with the assistance of the U.S. Government and UNODC. It has become a lead agency that coordinates all drug enforcement activities in the Kyrgyz Republic. To stop illegal transnational organized drug crime, the DCA continues to work with its counterparts in Russia, Kazakhstan, Tajikistan, and Uzbekistan. From May to December 2006, the DCA participated in training/mentoring programs coordinated by the U.S. embassy narcotics office with the objective of increasing seizures of drugs in transit. The seizure goal agreed on to stimulate DCA's efforts was 225kg of illicit narcotics. For the period of May to December 2006 the DCA made 70 seizures. The seizure breakdown as follows: 153kg of heroin, 170kg of opium, 583kg of marijuana and 26kg of hashish. This was a grand total of 934kg of illicit narcotics. The approximate street value was almost \$900,000. Though this was a substantial amount of narcotics, more work is required in the area of heroin and opium seizures. All arrestees during this special operation were prosecuted and received jail time. Since the beginning of 2007, the DCA has conducted six joint "controlled delivery" operations targeted on organized crime drug lords. In 2007, the DCA registered 87 seizures, but the amount of drugs seized in each case diminished. As of September 30, 2007 the DCA had seized 117kg of heroin, 26kg of opium, 673kg of marijuana, 5kg of Psychotropics and .33kg of hashish.

Kyrgyz officials have emphasized coordination among enforcement units (Ministry of Interior, National Security Service, Customs, and Border Guard) to increase effectiveness in the field of combating drugs. As a result, joint operations are now being conducted at railroad stations, airports, and major highways. The DCA believes that drugs are being delivered to the southern part of the country by well-organized criminal groups and, in some cases, law enforcement officers are involved in this process. To combat this, U.S. Central Command (CENTCOM), the Nebraska National Guard, U.S. Customs, DEA and INL launched the initial phase of the MOBITS Assistance Project. In August 2007, 32 Kyrgyz law enforcement officers from the DCA, Ministry of the Interior, Customs Service and Border Guards were trained and completely equipped to form the first of four planned MOBITS Teams. The team was deployed in September 2007, after the completion of five weeks of training. Its mission is to identify drug trafficking targets and to seize all the illicit narcotics it can. These teams patrol remote southern areas between fixed border posts along the Kyrgyz border with Tajikistan and Uzbekistan.

Corruption. Corruption remains a serious problem and a problem for effective law enforcement. In 2007, several Kyrgyz law enforcement officials were apprehended while trafficking narcotics in Kyrgyzstan. The Kyrgyz DCA now possesses a relatively good reputation, and its staff goes through a very thorough vetting procedure and receives substantial salary supplements from the U.S./UN counternarcotics project. The MOBITS Units are also thoroughly vetted.

Agreements and Treaties. The Kyrgyz Republic is a party to the 1988 UN Drug Convention, the 1961 UN Single Convention on Narcotic Drugs, as amended by the 1972 Protocol and the 1971 UN Convention on Psychotropic Substances. The Kyrgyz Republic is also a party to the UN Corruption Convention and the UN Convention Against Transnational Organized Crime and its protocols on migrant smuggling and trafficking in persons. It is also a party to the Central-Asian Counternarcotics Protocol, a regional cooperation agreement backed by the UN.

Cultivation/production. While there is no significant commercial production of drugs in Kyrgyzstan, cannabis and ephedra grow wild over wide areas, especially in the Chui valley region, and around Lake Issyk-Kul. In the past, Kyrgyzstan was a major producer of licit opium, and was the Soviet Union's main source of ephedra plant for decades. However, with skyrocketing opiate imports from Afghanistan, it has become less risky and easier to import drugs from Afghanistan via Tajikistan than to produce them locally. The Kyrgyz government carries out yearly eradication campaigns against illicit crops. Despite sporadic cases of drug cultivation, this problem, compared to that of drug trafficking and drug transit, has little impact on the general drug abuse problem.

Drug Flow/Transit. Despite improved law enforcement efforts, there has been no appreciable impact on the transit of Afghan narcotics through the Kyrgyz Republic. Illicit opium cultivation in Afghanistan is still high. Due to a very limited and rudimentary transportation system, traffickers mostly utilize lengthy overland routes leading through Afghanistan's neighboring countries. A significant share of the drugs smuggled through Central Asia in 2007 entered the region through Tajikistan. Together with Uzbekistan, Kyrgyzstan represents the main conduit for onward smuggling of opiates. Following a pattern observed across the Central Asian region in 2007, the share of opiates seized in Kyrgyzstan increased significantly. In particular, the southern border provinces of Osh and Batken again experienced a high flow of drugs in 2007. This is the area where the MOBITS Teams will be present and active. In the last few years, trafficking activities have increased on the long and mountainous border between the Tajik Garm region and Batken in Kyrgyzstan. Onward smuggling through the Kyrgyz Republic takes drugs mainly to the Uzbek part of the Fergana valley, and across the Northern border into Kazakhstan.

Domestic Programs/Demand Reduction. Existing economic problems and budget constraints prevent the Government of the Kyrgyz Republic from effectively addressing the rapidly deteriorating drug abuse and HIV/AIDS problem. Insufficient allocation of budget funds hampers successful implementation of prevention and treatment programs as well as training of professional staff. Although, for the past few years, funding for international financial and technical assistance programs to address HIV/AIDS problems in Central Asia has increased considerably, the GOKR have devoted insufficient attention to the conceptual and strategic development of a modern drug treatment service provision system capable of stemming drug abuse and/or a HIV/AIDS pandemic. The programs for drug users in the Kyrgyz Republic are conducted by state institutions in partnership with civil sector organizations. UNODC also has a number of drug assistance programs. The UNODC completed a regional demand reduction program, "Diversification of HIV Prevention and Drug Treatment Services for Injection and other Drug Users in Central Asia." This four-year project sought to improve and further develop a range of HIV prevention and drug treatment services for injection drug users in selected localities in Kazakhstan, Kyrgyzstan, Tajikistan, Turkmenistan and Uzbekistan. Efforts included outreach, low-threshold services and in-patient provision of HIV/AIDS prevention education, access to condoms and sterile injection equipment, counseling, detoxification, treatment and rehabilitation. Emphasis was placed on the replication of existing successful initiatives in the region, in-service training through exchanges among organizations in the region and training seminars organized at the regional and national levels. However, 2007 was the final year for this project.

USAID worked to reduce demand for illegal drugs by supporting work with vulnerable populations through its five-year Drug Demand Reduction Program (DDRP) that was completed this September 30, 2007. Focused in the Fergana Valley in Kyrgyzstan, DDRP worked with target populations, including vulnerable youth, prostitutes, and prisoners. DDRP aimed to increase these groups' access to and use of quality drug demand reduction services, social support, and other healthy alternatives to heroin/opiate use. The project used an evidence-based public health approach, drawing on regional and international experience in drug prevention and treatment. Vulnerable youth were the primary focus of an "ABC" program, which focuses on abstinence, faithfulness to one partner, and condom use through a social marketing campaign, as well as peer-to-peer HIV education.

IV. U.S. Policy Initiatives and Programs.

Road Ahead. The DCA currently has good momentum toward becoming a solid and respected drug enforcement force for the Kyrgyz Republic. DCA should continue to benefit from U.S. narcotics assistance delivered through the U.S. Embassy in Bishkek. An additional enhancement to U.S. counternarcotics programs has been the assistance of the Nebraska National Guard in

providing assessment, training and guidance to the DCA. The Guard's presence on the ground is of great value in forming working relationships with the DCA. Another initiative is the assignment of two liaison officers (former U.S. counternarcotics officers) to work with the MOBITS headquarters and to provide guidance, mentoring and technical assistance to the MOBITS teams. The most significant initiative in terms of funding is the MOBITS Interdiction Teams. This \$1 million project will give Kyrgyz law enforcement entities the capability to strike anywhere and apprehend drug traffickers while they are in the act of transporting narcotics.

Latvia

I. Summary

Drug use in Latvia is characterized by continued prevalence of synthetics, though cannabis is also popular. Heroin and cocaine can also be found. Recreational drug use has shifted to synthetic stimulants (including a newer drug, peperzine) due to their low cost, as well as national information campaigns highlighting the dangers of intravenous drug use. There are no significant changes in narcotics use, market or price (although there is a tendency for prices to rise after a major drug seizure) in Latvia and most of this activity is concentrated in Riga. Latvia is party to the 1988 UN Drug Convention.

II. Status of Country

Latvia itself is not a significant producer of precursor chemicals, but Customs officials believe that a significant quantity of diverted “pre-precursors” originate in neighboring countries, such as Russia, Belarus, Lithuania, and Estonia and transit Latvia en route to other countries. Control of some cocaine smuggling through the Baltic region is directed by Latvian organized crime groups, though Russian (specifically Moscow), and Lithuania are the most likely ultimate markets. Heroin is usually sold at “retail” only to people known to the seller and is generally not available in public places, though selling tactics and methods constantly change. Amphetamines are distributed in venues that attract youth, such as nightclubs, discotheques, gambling centers and raves. Organized crime groups also engage in both wholesale and retail trade in narcotics. Recreational drug use has increased, albeit relatively insignificantly, with Latvia’s growing affluence and increased accessibility of drugs.

III. Country Actions Against Drugs in 2007

Policy Initiatives. Latvia is in the third year of its State Program for the Restriction and Control of Addiction and the Spread of Narcotic and Psychotropic Substances (SPRCASNPS), which was approved by the Cabinet of Ministers for the years 2005 to 2008. This national strategy lists as its priorities: reducing the spread of drug abuse, especially among young people; increasing the possibilities for rehabilitation and re-socializing for drug addicts; reducing crime related to drug abuse and distribution, as well as drug trafficking; eliminating and preventing the harm caused to the general development of the Latvian state by drug addiction and drug related crime.

In 2006 a program called “HIV/AIDS prevention and care among injecting drug users and in prison settings in Estonia, Latvia and Lithuania” was initiated with UN funding. The goal of the project is to establish a favorable environment in all project countries to better implement HIV/AIDS prevention and care activities among injection drug users and in prisons through addressing normative policy, capacity building and programmatic aspects of national HIV/AIDS prevention activities. The program is scheduled to last from 2006 to 2010.

Law Enforcement Efforts. Drug related crime rose 65 percent, from 700 cases in 2006 to 1078 cases in 2007. In 2007 the total amount of narcotic and psychotropic drugs seized rose by 54 percent from 2006. The amounts of hashish and ephedrine seized were the only two drugs that did not change significantly from last year. Seized amounts of amphetamines dropped by 50 percent and methamphetamine seizures were slightly down. All other seizures increased significantly. Poppy straw doubled, heroin was about ten times higher, and marihuana rose from 3.8 kg to 47.6 kg. The most significant increases were in seizures of Ecstasy, which rose from 2,299 tablets in 2006 to 91,905 tablets in the first nine months of 2007, cocaine, a seven fold weight increase from 2006, and LSD, which saw an extraordinary decrease in 2006, but has experienced another peak in

2007. Peperzine, a newer drug from Western Europe, is not yet illegal in Latvia; however, it is confiscated as misuse of a prescription drug. The marked improvement in seizures, according to an official in the Latvian State Police, is due to better experience among police officers and improved international contacts.

Corruption. Latvia's Anti Corruption Bureau (KNAB) was established in 2003 to help combat and prevent public corruption. According to a KNAB official, the bureau has not found any senior-level Latvian officials to be involved in, encouraging, or facilitating narcotic crimes or the laundering of proceeds from illegal drug transactions. The USG also has no evidence of drug-related corruption at senior levels of the Latvian government. As a matter of government policy, Latvia does not encourage or facilitate the illicit production or distribution of narcotic or psychotropic drugs or other controlled substances, or the laundering of proceeds from illegal drug transactions.

Agreements and Treaties. Latvia is a party to the 1988 UN Drug Convention, the 1971 UN Convention on Psychotropic Substances, and the 1961 UN Single Convention as amended by its 1972 Protocol. A 1923 extradition and a 1934 supplementary extradition treaty currently are in force between the U.S. and Latvia. The United States and Latvia are parties to a mutual legal assistance treaty which entered into force on September 17, 1999. On December 7, 2005, Latvia and the United States signed a new extradition treaty and Mutual Legal Assistance protocol. The Latvian Saeima ratified the new extradition treaty in May 2007, but the U.S. Senate has not yet ratified it. Latvia is a party to the UN Convention against Corruption, and to the UN Convention against Transnational Organized Crime and its protocols against trafficking in persons, migrant smuggling and illegal manufacturing and trafficking in firearms.

Drug Flow/Transit. Cocaine is being smuggled through the Baltic region by Latvian organized crime groups, though much of it goes through the port of St. Petersburg (with command and control in Latvia) or through Latvia en route to Russia. Most of the cocaine in the region probably goes to Russia (specifically Moscow), and Lithuania where the market is large and prices are high. Latvian groups send tens of kilograms at a time hidden in commercial vessels from Guayaquil, Ecuador to St. Petersburg, and some groups drive vehicles with concealed cocaine overland from the Benelux countries to Latvia and Lithuania. Latvia is not a primary transit route for drugs destined for the United States. Most drugs transiting Latvia are destined for the Nordic countries or Western Europe. Heroin transiting Latvia is Afghan in origin and comes via the "Northern Route" (former Soviet Central Asia) and not the Balkan Route.

It is important to note that Latvia became a Schengen country on December 21, 2007, thus opening its borders to Western Europe. The Latvian State Police reported that the greatest rise in narcotics trafficking in Latvia occurred when it became an EU country in 2004. They do not expect the change after Schengen to be as marked.

Domestic Programs/Demand Reduction. The current national strategy addresses demand reduction, education, and drug treatment programs. Since its passage by the Cabinet of Ministers, the following objectives have been achieved: establishment of a co-ordination mechanism for institutions involved in combating drug addiction (involving eight ministries); establishment of a system for monitoring court directed treatment for addicted offenders; holding educational events for teachers and parents, as well as updated educational materials and informative booklets; inclusion of information on drug addiction in school curriculums; establishment of a pilot program for teaching prevention of drug addiction, alcohol abuse and smoking; pilot programs on drug addiction for local governments; education programs for members of the armed forces; mechanisms for information exchange amongst relevant institutions; and an increase in the number of employees in the regional offices of the Organized Crime Enforcement Department under the State Police. Legislation and amendments to current legislation continue to be passed with the objective of further regulating and raising barriers to addictive drugs and activities. In addition to

the State Narcotics Center, Latvia has established four regional narcotics addiction treatment centers in Jelgava, Daugavpils, Liepaja, and Straupe. There are rehabilitation centers in Riga and Rindzele, and youth rehabilitation centers in Jaunpiebalga and Straupe. In 2006, 910 patients were discharged from in-patient rehabilitation programs. Equally, there were 443 first treatment demands in outpatient programs. It is important to note that, because not all patients who receive treatment are registered as drug users, as many as one third of patients may not be accounted for among registered drug users.

IV. U.S. Policy Initiatives and Programs.

Bilateral Cooperation. The United States offers assistance on liaison programs in Latvia that focus on investigating and prosecuting drug offenses, corruption, and organized crime. At this time, the DEA has multiple cocaine cases ongoing involving Latvians, and one heroin case, as well as two drug-related money laundering cases. In 2007, the U.S. Coast Guard dispatched a Mobile Training Team to conduct a Maritime Operations & Planning course, and trained officers in International Leadership and Management, International Crisis Command & Control, and International Maritime Officer. Both the U.S. and Latvia help each other with other support as needed.

The Road Ahead. The United States will continue to pursue and deepen cooperation with Latvia, especially in the areas of law enforcement and prosecution. The United States will expand efforts to coordinate with the EU and other donors to ensure complementary and cooperative assistance and policies with the government of Latvia. The United States will also encourage Latvia to work with regional partners to advance the mutual fight against narcotics trafficking.

Lithuania

I. Summary

Synthetic drugs and cannabis are the most popular illicit narcotics in Lithuania. Lithuania also remains a source country for synthetic drugs, as well as a transit route for heroin and other illicit drugs. Although the government increased funding for drug prevention and control programs, the number of reported overdose cases increased. The seizure of narcotics reflected the strengthened counternarcotics efforts by law enforcement agencies. Lithuania is a party to the 1988 UN Drug Convention.

II. Status of Country

According to the Criminal Police Bureau, synthetic drugs (amphetamines and methamphetamines) and cannabis are the most popular narcotics in Lithuania. The relatively low price of synthetic drugs is one of the main causes behind their popularity. In 2007, police intercepted several shipments of locally produced amphetamines, closed down an illicit synthetic drugs laboratory, and intercepted heroin, hashish, and cocaine smuggled to and through Lithuania.

The number of people seeking initial treatment for drug addiction has decreased according to the most recent data, falling from 12.3 cases per 100,000 inhabitants in 2004 to 9.4 cases per 100,000 inhabitants in 2006. Nearly 79 percent of registered drug addicts are younger than 30 years old, and 80 percent are men. Approximately seventy-six percent of the registered 1,273 people living with HIV contracted the disease through intravenous drug use. The NCD's survey (2004) of drug use in Lithuania showed that 8.2 percent of Lithuania's residents had used some drug at least once in their lifetime, with those 15-34 years old significantly more likely than those 35-64 years old to have tried drugs. 7.6 percent of the Lithuanian population reported having used cannabis at least once in their lifetime. According to the NCD, a significant increase in drug overdoses, especially cocaine overdoses, was reported over the past few years. In 2004, six cases of cocaine overdose were registered, in 2005 the number of cases was 17, and the number of cocaine overdose cases grew to 40 in 2006. Law enforcement officials in Lithuania believe that the consumption of poppy straw and poppy straw extract in Lithuania has decreased. They base this estimation on the decrease in seizures from 167 kg of poppy straw and 184 liters of poppy straw extract in 2005 to 51 kg of poppy straw and 48 liters of poppy straw extract in 2006.

III. Country Actions Against Drugs in 2007

Policy Initiatives. Lithuania's Ministry of Interior, Ministry of Education and Science, Ministry of Health, Ministry of Justice, Ministry of Social Security and Labor, NCD (Narcotics Crime Division), police, and other institutions worked to implement the National Program on Drug Control and Prevention of Drug Addiction for 2004-2008. The key objectives of the strategy are: prevention of drug abuse among young people, drug supply reduction, care for drug addicts, international and inter-institutional co-operation in the field of drug demand and drug supply reduction and development of coordination systems at the local and national levels. Lithuania increased funding to the National Drug Prevention and Control Program from 14.6 million LTL (\$5.84 million) in 2006 to 17.8 million LTL (\$7.12 million) in 2007, an increase of more than 200 percent.

Law Enforcement Efforts. Lithuanian law enforcement officials recorded 1,198 drug-related crimes as of October 2007, a slight decrease from the 1,393 during the same period in 2006. As of October 2007, police and customs in cooperation with other countries' law enforcement agencies had seized 5.251 kg of hashish, 38 kg of cannabis seeds, 351 units of the cannabis planting stock,

21,853 Ecstasy tablets, 27.3 kg of methamphetamines, , and 100 liters of the precursor chemical benzyl methyl ketone (BMK). Lithuanian authorities also seized small quantities (less than five kg each) of, cocaine, LSD, hallucinogenic mushrooms, various psychotropic drugs, and other precursors.

Lithuania worked effectively with international partners to break up drug smuggling operations in 2007, making important seizures in cooperation with Belarusian, French, Norwegian, Swedish, Estonian, Latvian, Russian, and Polish law enforcement partners. In January, Lithuanian and Belarusian law enforcement officers dismantled a network of synthetic drug dealers and confiscated 4,500 Ecstasy pills. In July Lithuanian officers arrested a man with a cargo of over 40 kg of cannabis at the border with Poland. They suspected that the cannabis was brought from Belgium. In October, Lithuanian officers arrested two Lithuanian citizens with 3 kilograms of amphetamines in Estonia in a joint operation with Latvian and Estonian colleagues. In 2007, the police shut down one laboratory producing high-quality amphetamines and confiscated 1,089 ml of safrole from the laboratory site. In September, customs officers began using SCUBA gear to inspect the underwater portions of the hulls of ships for drugs, guns, and other illegal goods at the Klaipeda sea port.

As of November 1, the Lithuanian court system adjudicated 726 drug-related cases and convicted 775 persons. Sentences for trafficking or distribution of drugs range from fines to fourteen years of imprisonment.

Corruption. Narcotics-linked corruption does not appear to be a major problem in Lithuania. Lithuania does not, as a matter of policy, encourage or facilitate illicit production of drugs or the laundering of proceeds from the illegal drug trade. Lithuania has established a broad legal and institutional anticorruption framework. However, media, NGOs, and public opinion polls expressed the view that corruption was a lingering problem. There were no reports of drug-related corruption involving Lithuanian government officials.

Treaties and Agreements. Lithuania is a party to the 1988 UN Drug Convention, the 1971 UN Convention against Psychotropic Substances, and the 1961 UN Single Convention as amended by the 1972 Protocol. Lithuania also is a party to the UN Convention against Transnational Organized Crime and its protocols against trafficking in persons, migrant smuggling, and illegal manufacturing and trafficking in firearms. An extradition treaty and mutual legal assistance treaty are in force between the United States and Lithuania. Lithuania ratified the UN Convention against Corruption in 2006.

Cultivation/Production. Laboratories in Lithuania produce amphetamines for both local use and export, according to the Lithuanian Ministry of Interior. Law enforcement agencies regularly find and destroy small plots of cannabis and opium poppies used to produce opium straw extract for local consumption. As of October 2007, police, in cooperation with customs agents, eradicated 295 square meters of poppies and 153 square meters of cannabis.

Drug Flow/Transit. According to Lithuanian law enforcement agencies, Lithuanian-produced synthetic drugs have been intercepted en route to Sweden and Norway and also passing through Germany, Poland, and Denmark. Customs agents have stopped drugs entering Lithuania from all sides: cocaine, Ecstasy, and other synthetic drugs arriving mostly from or via Western Europe; and heroin arriving from Central Asia via Russia and Belarus. Domestically grown poppy straw serves nearby markets in Lithuania, in Russia's Kaliningrad region, and in Latvia.

Domestic Programs (Demand Reduction). The Ministry of Education and Science continued implementation of the Program on Prevention of Use of Alcohol, Tobacco and Psychoactive Substances approved in 2006. The Program was adapted to each age range and integrated into school curricula, accounting for at least 5-6 hours per school year. Lithuania operates five national

drug dependence centers and ten regional public health centers. Several programs aim to reduce drug consumption through education programs and public outreach, especially in schools. The Prisons Department operates a rehabilitation center for incarcerated drug addicts, and spent around 0.7 million LTL (280,000 USD) in 2006 to purchase equipment and fund activities to prevent drug trafficking, train officials, and educate inmates. The NCD, police, and Ministry of Education and Science implemented targeted drug prevention programs involving parents, teachers, communities and at-risk-youth. The NCD continued implementation of the education project targeted at reducing the use of narcotics in bars and clubs and provided narcotics control and prevention training for members of municipal drug control commissions.

IV. U.S. Policy Initiatives and Programs

Bilateral Cooperation. Law enforcement cooperation continues to be an area of great success, a result of several years of legal reform and law enforcement training. In 2007, the U.S. Coast Guard trained four Lithuanian officers in International Leadership and Management, and International Crisis Command & Control, International Maritime Officer, and Damage Control. The United States has successfully cooperated with the Lithuanian authorities in numerous investigations involving fraud, narcotics trafficking, money laundering, and other crimes.

The Road Ahead. The United States will continue cooperating with Lithuanian institutions to support drug prevention activities and fight against narcotics trafficking.

Macedonia

I. Summary

Macedonia is neither a major producer nor a major regional transit point for illicit drugs. The Government of Macedonia (GOM) made some progress in combating drug trafficking in the reporting period—illicit drug seizures in Macedonia significantly increased during the first 10 months of 2007, compared to the previous year, including a major seizure of nearly 500 kg of cocaine at the Kosovo-Macedonia border in January. Domestic use of illicit drugs continued to grow. Macedonian law enforcement authorities cooperated closely with regional counterparts, including the UN Mission in Kosovo (UNMIK), in counternarcotics operations. Such operations in some cases were hindered by ineffective interagency coordination and planning, although there were some modest improvements in interagency coordination compared to the previous year. Macedonia is a party to the 1988 UN Drug Convention.

II. Status of Country

Macedonia lies along one of several overland routes used to deliver Afghan heroin (through Turkey and Bulgaria) to Western Europe. Hashish and marijuana produced in Albania travel along the same routes to Turkey, where they are exchanged for heroin that is then transported to Western European markets. Synthetic drugs on the Macedonian market are smuggled in from neighboring Bulgaria and Serbia. A favorable climate in southern Macedonia encourages small amounts of marijuana cultivation mainly for personal use. According to government sources, there were no reports of the production of precursor chemicals or synthetic drugs in Macedonia. A major seizure of nearly 500 kg of cocaine in January 2007 suggested that, unlike previously, cocaine is being transported to or through Macedonia in increasing quantities. According to MOI sources, trafficking in synthetic drugs appeared to increase in 2007, but seizures were not higher than in 2006. Macedonia produced, on approximately 500 hectares, licit poppy straw and poppy straw concentrate, but in quantities insufficient for the country's pharmaceuticals industry. As a result, some poppy straw was imported under license.

III. Country Actions against Drugs in 2007

Policy Initiatives. Macedonia's National Anti-drug Strategy, approved in 2006, was followed, in May 2007, by the government's adoption of a National Action Plan for implementing that strategy.

Law Enforcement Efforts. According to MOI statistics, in the first ten months of 2007, criminal charges were brought against 326 persons (slightly less than in the preceding year), including twelve juveniles and one police officer. Those charges involved 282 actual cases of illicit drug trafficking, or 33 cases more than in 2006. In 2007, police seizures of cocaine and hashish were on average significantly higher than in the previous year. Seizures of other drugs, such as heroin, marijuana, and other psychotropic substances were slightly lower or the same as during the previous year. Some MOI sources believe trafficking in some synthetic drugs, such as Ecstasy, actually rose in 2007, as evidenced by lower prices for such narcotics, reflecting an increased supply on the market.

The MOI reported the following quantities of drugs and psychotropic substances seized in the first nine months of 2007:

- cocaine: 486 kg (compared to less than 300 grams in 2006);
- heroin: 60 kg (two and a half times less than in 2006);

- marijuana: 208 kg (30 per cent less than in 2006);
- cannabis: 4413 plants seized (a significant increase from the 142 plants seized and destroyed the previous year);
- hashish: 851 grams (compared to only 16 grams in 2006);
- raw opium: one kg (compared to three kg of opium seized in 2006); and
- Ecstasy: 1,862 pills (slightly more than the 1,377 seized in 2006).

In January 2007, Macedonian authorities—in cooperation with UNMIK and the United States Drug Enforcement Administration (DEA)—seized nearly 500 kilograms of cocaine which allegedly had originated in Venezuela and was destined for Greece. The May 2005 Witness Protection Law and legislation, passed in 2006, that enhanced the ability of prosecutors to use wiretaps as evidence in criminal proceedings, were used to positive effect in several counternarcotics cases. The Customs Administration continued to strengthen its intelligence units and mobile teams. Police officials claimed cooperation with their Customs colleagues improved compared to past years. In late November, a Macedonian court convicted the two defendants involved in the major cocaine seizure case on drug smuggling charges and sentenced them to 14.5 years in prison each.

Corruption. Corruption is pervasive in Macedonia, with low salaries and high unemployment fostering graft among law enforcement officials. However, public perceptions of the degree of corruption in Macedonia decreased in 2007, and public confidence in the government's ability to combat corruption rose. A recent poll, in which 44 percent of the respondents said they had paid bribes, indicates that the problem remains acute. The judiciary remains weak and is frequently accused of corruption. As a matter of policy and practice, the Government of the Republic of Macedonia does not encourage or facilitate the illicit production or distribution of drugs, or the laundering of proceeds from illegal drug transactions.

Agreements and Treaties. Macedonia is a party to the 1988 UN Drug Convention, the 1961 Single Convention as amended by the 1972 Protocol, and the 1971 Convention on Psychotropic Substances. A 1902 Extradition Treaty between the United States and Serbia, applies to Macedonia as a successor state. Macedonia is a party to the UN Convention against Transnational Organized Crime and its protocols against trafficking in persons and migrant smuggling. In April 2007 Macedonia acceded to the UN Convention against Corruption.

Cultivation/Production. Macedonia is neither a major cultivator nor producer of illicit narcotics. There are no reports of local illicit production or refining of heroin or illegal synthetic drugs. Only one pharmaceutical company in the country was authorized to licitly cultivate and process poppy for medicines. Authorized poppy production, some 500 hectares in 2007, is monitored by the Ministry of Health, which shares production data regularly with the Vienna-based International Narcotics Control Board. Marijuana cultivation in southeast Macedonia continued to present a challenge to authorities, although MOI sources reported only small quantities of the drug were cultivated, mostly for personal consumption.

Drug Flow/Transit. Macedonia is on the southern branch of the Balkan Route used to ship Afghan heroin to the western European consumer market. The quantity of synthetic narcotics trafficked to Macedonia in 2007 appeared to increase, largely due to the low cost of such drugs on the street in Macedonia. Most synthetic drugs aimed at the Macedonian market originated in Bulgaria and Serbia, and arrived in small amounts by vehicle. As noted above, Macedonian authorities seized a shipment of nearly 500 kilograms of cocaine, destined for Greece, at a border crossing with Kosovo.

Domestic Programs/Demand Reduction. Official Macedonian statistics regarding drug abuse and addiction are unreliable, but the government estimated there were between 7,000-8,000 drug users

in the country. The most frequently used drug was marijuana, followed by heroin and Ecstasy. There were an estimated 1,000 cocaine users in the country in 2007, according to official sources. Treatment and rehabilitation activities are carried out in the one state-run outpatient medical clinic for drug users that dispenses methadone to registered heroin addicts. There are also seven specialized local centers for methadone substitution treatment, which treat 1,550 drug addicts. One of the seven centers is located in the largest prison in the country (with over 60 percent of the total prisoner population). Of the 1,500 prisoners in the country's main prison, an estimated 600 were identified as drug addicts. Macedonian health officials acknowledged that rehabilitation centers were overcrowded. The Ministry of Health announced the opening of four more rehabilitation centers in Skopje, and seven in the smaller towns, including along a major internal drug supply route. In-patient treatment in specialized facilities consisted of detoxification accompanied by medicinal/vitamin therapy, as well as limited family therapy, counseling and social work. Follow-up services after detoxification, or social reintegration programs for treated drug abusers, were inadequate. Educators and NGOs continued to support programs to increase public awareness of the harmful consequences of drug abuse, targeting drug use among youth in particular.

IV. U.S. Policy Initiatives and Programs

Bilateral Cooperation. During 2007, DEA agents worked with the Macedonian police to support coordination of regional counternarcotics efforts, including a major cocaine seizure in January 2007. MOI police, the financial police, Customs officers, prosecutors, and judges continued to receive USG-funded training in anti-organized crime operations and techniques. USG representatives continued to provide training, technical advice, equipment, and other assistance to Macedonian Customs and MOI Border Police units.

The Road Ahead. Macedonia's porous borders, and the influence of regional narcotics trafficking groups, will continue to make the country an attractive secondary route for the transit of illegal drugs. DEA officials continue to expect increased use by traffickers of Macedonia as a "warehousing" base during transshipments. The United States Government, through law enforcement training programs, will continue to strengthen the ability of Macedonian police, prosecutors and judges to monitor, arrest, prosecute, and sanction narcotics traffickers. In cooperation with EU and other international community partners, the U.S. will press for full implementation of the national counternarcotics action plan. USG law enforcement training agencies in Macedonia will focus on working with GOM counterparts to use the Wiretapping Law and other legislative tools to strengthen the ability of prosecutors to successfully pursue counternarcotics cases. The USG will continue to work with the GOM and international partners to strengthen Macedonia's criminal intelligence system, and to improve the government's ability to provide reliable statistics on drug use, arrests, prosecutions, and convictions of traffickers.

With the passage of wiretapping legislation in November, USG law enforcement training agencies in Macedonia can now focus on working with GOM counterparts to implement the law in order to strengthen the hand of prosecutors in counternarcotics cases. The USG will continue to work with the GOM and our international partners to strengthen the criminal intelligence system, and to improve the government's ability to provide reliable statistics on drug use, as well as on arrests, prosecutions and convictions of traffickers.

Moldova

I. Summary

Moldova continues to grow as a drug-transit country and drug-related crime rates continue to increase. The number of criminal proceedings initiated in 2007 increased noticeably from 2006. Moldova is not a significant producer of narcotics or precursor chemicals. Despite the fact that widespread poverty makes Moldova a relatively unattractive market for narcotics sales, drug usage within Moldova remained a concern. The number of officially registered addicts increased during the first nine months of 2007 by over ten percent. Moldova is a party to the 1988 UN Drug Convention.

II. Status of Country

Moldova is an agriculturally rich nation with a climate favorable for cultivating marijuana and poppy. Annual domestic production of marijuana is estimated at several hundred kg. Authorities regularly seize and destroy illicitly cultivated hemp and poppy plants. The market for domestically produced narcotics remains small, largely confined to local production areas. Geopolitical changes and Moldova's proximity to the European Union resulted in increased imports of synthetic drugs. The smuggling of narcotic or psychotropic substances is a significant problem for Moldova. Investigations conducted in 2007, revealed increased cases involving narcotic substances of synthetic origin, such as methamphetamine, amphetamine, and Ecstasy (MDMA) as well as diverted licit opiates such as codeine. According to the Moldovan Ministry of Interior (MOI), domestic drug traffickers remain closely connected to organized crime in neighboring countries. Moldovan authorities also reported an increase in homemade drugs. Control over the movement of licit narcotic and psychotropic substances, as well as precursors, is carried out by the permanent Drug Control Committee of the Ministry of Health.

III. Country Actions Against Drugs in 2007

Policy Initiatives. The Moldovan Ministry of Interior is responsible for counternarcotics law enforcement. The Anti-Drugs Unit has 78 officers nationwide. The Anti-Drugs Unit continues to strengthen its efforts to counter narcotics activity based on the following GOM actions:

- Government Decision no. 314, passed on March 17, 2007. This decision approved the National Plan of Action for the years 2007-2009 to prevent drug abuse and drug smuggling. It covers the activities of the MOI and Ministry of Health;
- European Union (EU)-Moldova Plan of Action for 2005-2007; signed on February 22, 2005, in Brussels. The Plan of Action encourages political and economic interdependence between Moldova and the EU. The approval of the plan required Moldovan State Institutions (MOI, etc.) to assume responsibility for implementation of activities in their respective areas and to provide monthly, quarterly and semi-annual progress reporting;
- Ministry of Interior Decision no. 201, passed on July 6, 2005. This decision approved the Anti-Drugs Unit's Plan of Action for 2005-2007; and
- MOI Basic Organizational Measures Plan for 2007. This is a reoccurring annual plan that defines the activities of each MOI department.

Pursuant to its mission of curbing the increasing threat of transnational crime, in April 2006, the MOI established the Department of Operative Service (DOS). The DOS was created to ensure effective cooperation among existing GOM law enforcement authorities in combating trans-border

crimes. The Anti-Drugs Unit and other law enforcement agencies drafted a Common Action Plan to combat the trafficking of drugs (and precursors) through railway transportation. This plan involved the MOI, Information and Security Service, Customs Service, Border Guards Service and Ministry of Transportation and Roads.

Law Enforcement Efforts. Moldovan authorities registered 1,985 drug-related cases in the first nine months of 2007, compared with 1,691 cases during the same timeframe in 2006. During 2007, approximately 380 kg of narcotic substances were seized. Ninety-five kg of poppy straw and ten liters of liquid opium were seized, compared to 332 kg of poppy straw and 22 liters of opium seized for the same period in 2006.

Marijuana seizures constituted 230 kg, compared to 708 kg seized during 2006. Heroin seizures increased considerably in 2007: 1,676 grams seized during the first nine months of 2007 compared with twelve grams during the same period in 2006. Synthetic drug seizures also increased significantly from 2006 (with the exception of methamphetamine): 3,710 pills of prescription drugs, compared to 1,134 pills during 2006; 31,265 Ecstasy pills, compared to 237 pills in 2006; 189 ml of methamphetamine and 881 grams of amphetamine, compared to 2,100 ml and 405 grams in 2006.

During the first nine months of 2007, the MOI identified 154 cases of illegal trafficking of psychotropic substances and 16 cases of medical personnel prescribing narcotic and psychotropic substances or precursors in violation of the law (law on illegal movement and prescription of narcotic and psychotropic substances or precursors). As a result of this activity, over 3,000 pills (compared to over 2,500 pills during 2006) and over 5,000 ml of psychotropic substances containing ephedrine used for producing methamphetamine were seized.

Fifty-six boxes of drugs, warehoused by traffickers before attempting to smuggle them into prisons, were discovered, seized, and those involved prosecuted. By the end of 2007, 192 offenders, including seven penitentiary officials (out of 231) involved in the above crimes, were identified and apprehended.

Moldova will need to invest significant resources in education, border control enhancements, and further law enforcement initiatives if it hopes to stem the growth of its drug abuser population. However, Moldova remains the poorest country in Europe, and given its poverty and the scarcity of government resources, significant additional government investment quickly is unlikely.

In response to Moldova's call for international monitoring of the border, in December 2005, the EU dispatched a Border Assistance Mission (EUBAM) to help stem the flow of illegal trade between Ukraine and Moldova, to crack down on smuggling, strengthen customs procedures, and facilitate cross-border cooperation.

Corruption. Corruption, at all levels, is a major systemic problem within Moldova, but there has been some improvement. The Center for Combating Economic Crimes and Corruption (CCECC) is the law enforcement agency responsible for investigating corruption allegations, including those related to narcotics. The CCECC has been accused of political bias in targeting its investigations, although not specifically with regard to narcotics cases. The Government of Moldova (GOM), as a matter of policy, does not encourage or facilitate the production or distribution of drugs or money laundering from illegal drug transactions.

On October 9, 2007, the Millennium Challenge Corporation's Threshold Country Program officially launched its implementation phase in Moldova. With a two-year budget of \$24.7 million in MCC assistance, Moldova seeks to reduce corruption in the public sector through judicial reform, reform of health care, tax, customs and police agencies, and reform of the CCECC. The Department of Justice (DOJ) Office of Overseas Prosecutorial Development, Assistance and Training will provide technical assistance and training to reform the CCECC; and DOJ's

International Criminal Investigative Training Assistance Program will provide technical assistance and training to the Ministry of Interior and the Customs Department.

Agreements and Treaties. Moldova is a party to the 1988 UN Drug Convention, the 1971 UN Convention on Psychotropic Substances, and the 1961 UN Single Convention. Moldova is a party to the UN Convention against Transnational Organized Crime and its protocols on trafficking in persons and migrant smuggling.

During the reporting period, the GOM signed a number of treaties which strengthened Moldovan law enforcement's ability to combat illegal drugs:

- February 12, 2007, The Hague—signing of the Strategic Cooperation Agreement between Moldova and Europol;
- February 12, 2007, Brussels—signing of the Memorandum of Understanding between the Ministry of Interior of Moldova and the Federal Police Service of the Kingdom of Belgium; and
- June 20, 2007, Chisinau—signing of the Cooperation Agreement between the Governments of Moldova and the Slovak Republic on cooperation in combating organized crime.

Each of these treaties established the legal basis for cooperation with foreign partners on various law enforcement initiatives, including narcotics control. These treaties also articulated the mechanisms to be used to exchange information between the signing parties.

Cultivation/Production. Each year, between June and August, the MOI launches a special law enforcement operation called “Operation Poppy.” This operation targets illicit poppy, hemp and marijuana fields for eradication, and re-emphasizes all other counter drugs efforts. As a result of Operation Poppy this year, 829 criminal cases were initiated (out of 1,737 during the entire year). The cases included the following: 258 cases of cultivation of poppy plants, resulting in eradication of 15,275 kg of raw material; 77 cases of cultivation of cannabis, resulting in eradication of 22,126 kg of raw material; 230 cases of illicit marijuana smuggling, resulting in 51 kg seized; 57 cases of illegal trafficking in poppy straw, resulting in 36.3 kg of dried poppy straw seized; 67 cases of illegal movement of opium extract, resulting in 2,098 ml of substance seized; 9 cases of heroin smuggling, resulting in 1,606 grams seized; 46 cases of illegal circulation of narcotic and psychotropic substances, resulting in 1,446 pills seized. In total, 1,890 persons were held liable for committing administrative drug-related offenses (i.e., cultivation of poppy and cannabis in small quantities).

Drug Flow/Transit. Seizures of illicit narcotics in 2007 continue to indicate that Moldova remains primarily a trans-shipment country for narcotics. Information provided by the MOI indicates that two of the predominant heroin routes are from Ukraine through Moldova to Western Europe and from Turkey through Romania/Moldova into Russia and near-by states.

Domestic Programs/Demand Reduction. As of October 2007, the number of officially registered addicts in the Republic of Moldova was 9,700. This number represents an increase of nearly 11 percent compared to the same period in 2006 (8,750). In 2007, the MOI organized a National Press Conference on the topic of “Drug Addiction—Ways of Prevention.” The MOI also publicized, through high profile media releases and on its internet site, information on cases involving the apprehension and arrest of drug traffickers. The MOI has augmented its collaboration with local public administrations. From August to September 2007, four meetings took place in different parts of the country involving representatives of public administration, education and health departments, narcotic drug specialists, local council representatives, prosecutors and local police to discuss drug abuse prevention and counternarcotics activities.

Private drug treatment is an option only for the wealthiest of drug abusers. The Moldovan government and NGOs continued to provide limited information about narcotics and conducted some education and communication campaigns. Neither NGOs nor government offered drug treatment adequate for those already addicted.

IV. U.S. Policy Initiatives and Programs

Bilateral Cooperation. Ongoing USG training and equipment initiatives are designed to improve the abilities of police to investigate and infiltrate organized crime and narcotics enterprises. The U.S. also offers assistance, including customs and border improvement programs aimed at strengthening Moldovan border control. Even if not specifically related to narcotics, these programs clearly have a “spin-off effect” of reducing the general illegal flow of goods through Moldova, including narcotics. During 2007, the U.S. Government (USG) financed basic and specialized law enforcement training programs (via the Department of State’s Bureau of International Narcotics and Law Enforcement Affairs) which included narcotics enforcement modules, as well as additional support through training and donation of equipment. The USG supported visits to the U.S. for Moldovan police officers, prosecutors, judges, anti-corruption and customs officers for various capacity-building and development programs. These programs focused on enhancing techniques related to combating corruption, money laundering, illicit drug trafficking and organized crime.

The Road Ahead. The U.S. and Moldova will continue to work together within the framework of several different U.S. assistance programs to improve the capacity of Moldovan law enforcement to target illicit movement of goods and persons through Moldovan territory.

Montenegro

I. Summary

Organized crime groups use Montenegro as a transit country for cannabis from Albania and Kosovo, and smaller amounts of other narcotics from the Middle East and Latin America, destined for the western Balkans and Western Europe. A small domestic market for illegal drugs exists. The Government of Montenegro is implementing a comprehensive action plan against illegal drugs, and is seeking close law enforcement relationships with other states in the region. Montenegro became an independent state in June 2006, and is in the process of becoming a signatory to relevant international conventions and agreements. Montenegro is a party to the 1988 UN Drug Convention, as a successor state of the Union of Serbia and Montenegro.

II. Status of Country

The Government of Montenegro estimates that only a small percentage of the illegal drugs entering the country are for the domestic market, although the police and press report that domestic drug addiction rates have been rising. Crimes connected with narcotics also have increased, and currently 50 percent of all Montenegrin prison inmates have been convicted for narcotics-related offenses. Protection of its borders is a national priority for Montenegro, and the United States and other international donors support those efforts; in particular, U.S. donations of ocean and lake patrol craft have been effective in interrupting water-borne smuggling.

III. Country Actions Against Drugs in 2007

Policy Initiatives. Changes passed by the Parliament in 2006 to the domestic criminal surveillance law will allow the use of improved methods and additional technical means in investigating crimes, including drug trafficking. The adoption in 2004 of the new Criminal Code and Criminal Procedure Code included antinarcotics provisions meeting objectives in the 1988 UN Drug Convention, and included Montenegro's first Law on Witness Protection, creating a specialized police unit for this purpose as well. In 2007, Montenegro continued discussions with neighboring states on regional cooperation in witness protection. The Montenegrin Government is also in the process of drafting a National Strategy for Suppression of Drugs, which is supposed to be adopted by the end 2007 or in early 2008.

Law Enforcement Efforts. Training of police officers in techniques for combating organized crime and financial crimes remains central to coursework at the national police training center, re-established as a professional Police Academy in October 2006. Montenegro has retained a separate counternarcotics service in the police force, and plans to coordinate its efforts with the police surveillance unit, border police, the customs service, and the domestic intelligence service.— During 2007, police filed 327 criminal charges against 455 individuals for narcotics-related violations.

Police seized:

- 278.7 kg of marijuana
- 9.1 kg of heroin
- 9 grams of hashish
- 409.47 grams of cocaine
- 2421 tablets of Ecstasy

-- 902.88 grams of precursor chemicals

During the year, the police did not record any significant cases of either the production of synthetic drugs or growing of plants used to produce drugs.

Corruption. Corruption and the perception that corruption is tolerated are common in Montenegro, and affect both law enforcement and the judiciary. The Government attempts to identify, prosecute and punish instances of official corruption, but does not specify whether the acts underlying specific disciplinary actions and prosecutions are narcotics-related or not. Laws that criminalize corrupt activities by government employees address narcotics-related corruption. The Government has criminalized the production and distribution of narcotic and psychotropic drugs as well as the laundering of proceeds from illegal drug transactions, and enforces these laws. As a matter of government policy, the GOM does not encourage or facilitate illicit production or distribution of narcotic or psychotropic drugs or other controlled substances, or the laundering of proceeds from illegal drug transactions. Montenegro is a party to the UN Convention against Corruption.

Agreements and Treaties. Montenegro became an independent state in June 2006, and has succeeded to a number of multilateral treaties to which the State Union of Serbia and Montenegro was a party or signatory, including the 1988 UN Drug Convention, the 1971 UN Convention on Psychotropic Substances, and the 1961 UN Single Convention, as amended by the 1972 Protocol. Montenegro is also party to the UN Convention against Transnational Organized Crime and its protocols against migrant smuggling and trafficking in persons.

Drug Flow/Transit. Organized crime groups use Montenegro as a transit point for drug smuggling, due to the country's central location, topography—both coastal and mountainous—and its past reputation as a facilitator of smuggling. Cannabis is smuggled from producers in Albania and Kosovo, en route to the Western Balkans and Western Europe; heroin from Southwest Asia transits Albania and Kosovo, crossing Montenegro before being transported further into Western Europe. The Montenegrin police report that increased drug use accompanies the summer influx of tourists along Montenegro's coast.

According to the police, Montenegro is also a transit country for cocaine from Latin America. A joint action by Montenegro, Serbia, and Italy at the end of 2004 into the first half of 2005 seized 200 kg of cocaine from Latin America before it could be smuggled into Western Europe. In January 2007, Macedonian police on the Macedonia-Kosovo border seized 438 kgs of cocaine which had originally entered Montenegro through the port of Bar from Columbia.

Domestic Programs/Demand Reduction. The Government plans to re-convene its expert group to update its 2003-2006 action plan to combat drug use among children and youth. The group includes participants from the Interior Ministry, Ministry of Health, Ministry of Culture, Education Ministry, Justice Ministry, Labor and Social Welfare Ministry, Customs service, local governments, and NGOs. The Government has recognized the potential problem of drug use—especially synthetic drugs—among foreign tourists, and the effect upon Montenegro's tourism sector, which is a central pillar of the economy.

IV. U.S. Policy Initiatives and Programs

Bilateral Cooperation. The Government of Montenegro works closely with the United States and EU countries in reforming and improving its law enforcement and judicial capacity. The United States has provided extensive technical assistance, equipment donations, and training, to the police, customs service, and judiciary. Several U.S. Departments have programs that directly and indirectly support counternarcotics activities in Montenegro, including the Department of Justice (ICITAP and OPDAT programs funded by the State Department), Department of Defense (Defense Threat Reduction Agency), Department of the Treasury, and Department of State (Export Control

and Border Security/EXBS, and SEED foreign assistance funding of Justice, Treasury, and DHS programs). The U.S. Department of Homeland Security (U.S. Coast Guard) through the Montenegro Border Security Program has also provided assistance in the past.

Netherlands

I. Summary

With its extensive transportation infrastructure and the busiest maritime port in Europe, the Netherlands continues to be a major distribution point for illicit drugs to and from Europe. A significant percentage of the cocaine consumed in Europe enters through the Netherlands, and the country remains an important producer of Ecstasy (MDMA), although production seems to be declining quickly. The successful five-year strategy (2002-2006) against the production, trade and consumption of synthetic drugs was positively assessed at the end of 2006, and a new long-term plan was endorsed by Parliament in June 2007. According to the Dutch National Police, the number of Ecstasy tablets seized in the U.S. that could be linked to the Netherlands dropped significantly from 0.85 million in 2005 to only 5,390 tablets in 2006. Operational cooperation between U.S. and Dutch law enforcement agencies is excellent, despite some differences in approach and tactics. During his May 2007 visit to The Hague, U.S. ONDCP Director Walters praised the Dutch for their efforts to curb the Ecstasy trade, noting that synthetic drug exports from the Netherlands to the U.S. have “largely dried up.” The Netherlands actively participates in DEA’s El Paso Intelligence Center (EPIC). The 100 percent controls at Schiphol airport on inbound flights from the Caribbean and some South American countries have resulted in a dramatic decline in the number of drug couriers from those countries. Dutch popular attitudes toward soft drugs remain tolerant. The Government of the Netherlands (GONL) and the public view domestic drug use as a public health issue first and a law enforcement issue second. The Netherlands is a party to the 1988 UN Drug Convention.

II. Status of Country

The central geographic position of the Netherlands, with its modern transportation and communications infrastructure, one of the world’s busiest container ports in Rotterdam and one of Europe’s busiest airports, makes the country an attractive operational area for international drug traffickers and money launderers. Production of Ecstasy and marijuana is significant, although a sizeable amount of Ecstasy production has shifted outside the country. There also is production of amphetamines and other synthetic drugs. The Netherlands also has a large (legal) chemical sector, making it an opportune location for criminals to obtain or produce precursor chemicals used to manufacture illicit drugs.

III. Country Actions Against Drugs in 2007

Policy Initiatives. Major Dutch Government policy initiatives in 2007 include:

Cannabis

According to the Justice Ministry’s Crime Prevention Plan, which was submitted to Parliament in November 2007, the fight against illegal cannabis cultivation, which began in 2006, will be stepped up over the next few years. Investigations will particularly focus on fighting the criminal organizations behind the cannabis plantations. According to the report, the National Taskforce on Organized Cannabis Cultivation will be set up in early 2008; law enforcement services, local and provincial governments, energy companies, housing corporations, insurance companies, and tax and welfare services will participate in the taskforce. The objective is to achieve a visible reduction in large-scale hemp cultivation by 2011.

In November 2007, the Justice Ministry’s Scientific Investigation and Documentation Center (WODC) published a report assessing the government’s intensified fight against cannabis

cultivation. The WODC's principal conclusions were that the integrated approach appeared to be productive, but, assuming that demand for cannabis would not change significantly, changes might occur in the organization of cannabis cultivation. The WODC anticipated increased measures by producers to conceal plantations and a shift in cultivation to safer locations in rural areas. The WODC also advised the government to step up controls on illegal activities of so-called "grow" shops, which sell, among other things, equipment for hemp cultivation. According to the WODC, some 6,000 cannabis plantations were dismantled in both 2005 and 2006, or about 500 per month. In response to the WODC report, Justice Minister Hirsch Ballin informed Parliament that the WODC's recommendations would be used to develop a broad action plan to fight organized cannabis cultivation.

In September 2007, the Rotterdam municipality approved the Mayor's proposal to close 18 "coffeeshops" located within 250 meters of a secondary school or college of higher professional education as of June 1, 2009. In July 2007, The Hague Mayor Deetman decided to close seven coffeeshops because they were located too close to schools. By 2011, all local governments should have enforced the "distance criteria."

In July 2007, Maastricht Mayor Leers agreed with coffeeshop owners to move eight of the 15 coffeeshops out of the city center to three sites on the city outskirts, close to the Belgian border. Neighboring Belgian cities decided to take legal action against the plan, arguing that, under the Schengen treaty, EU member-states are not allowed to cause any public nuisances in neighboring countries resulting from their drug policies. In 2006, Maastricht began a trial project to offer local residents special access passes to coffeeshops. The Netherlands allows the sale of small quantities of cannabis in coffeeshops under rigorous controls and conditions. The objective of the Maastricht trial is to cut down on drug tourism from neighboring countries. As a test case, a coffeeshop owner started a legal procedure against the Maastricht city council to assess whether the trial project is in line with EU law. The case is still pending. If the results of the case force no changes, the experiment will be expanded.

According to the annual THC Content study by the Trimbos Institute for Mental Health and Addiction, the THC content in Dutch-grown cannabis ("Nederwiet") dropped from 17.5 percent in 2006 to 16 percent in 2007, and that of imported cannabis from 18.7 percent in 2006 to 13.3 percent in 2007. The average price for one gram of "Nederwiet" rose almost 20 percent compared to 2006 to 7.30 euros in 2007. According to the study, the rise in price and decline in THC content were due probably to intensified police investigations into cannabis cultivation.

An amendment to the Opium Act making it easier for local governments to close down premises where drugs are sold illegally became effective on November 1, 2007. Under the law, mayors no longer have to prove that such premises are causing a serious public nuisance, which, in practice, can be very difficult. This authority already applies to public places, such as coffeeshops.

In November 2007, Health Minister Klink informed Parliament that he wants to extend by five years the availability of medicinal cannabis for scientific research and the development of a medicine. He indicated that medicinal cannabis should ultimately be a normal registered drug. In 2006, a Dutch company began to develop such a drug. Since 2003, doctors have been allowed to prescribe medicinal cannabis for chronically ill patients. The Health Ministry's Bureau for Medicinal Cannabis (BMC) buys the cannabis from two official growers.

Bilateral law enforcement cooperation treaties with Germany and Belgium/Luxembourg became effective in 2006. Measures have been taken to reduce drug trafficking in border regions. Cross-border surveillance has been intensified and license numbers of drug tourists are being exchanged.

In October 2007, Health Minister Klink and Justice Minister Hirsch Ballin sent Parliament a letter announcing their decision to ban sales of fresh "magic mushrooms" as of early 2008. The

unpredictable impact of human consumption of hallucinogenic mushrooms and related risky behavior, and the fact that most EU countries also have such a ban in place were cited as the reasons for the ban. According to the Minister, the number of incidents involving “magic mushrooms” has risen significantly over the past few years, particularly in Amsterdam, where the number of incidents rose from 55 in 2005 to 128 in 2006, and 110 in January-October 2007. Sales of dried hallucinogenic mushrooms were banned in the Netherlands some time ago.

Cocaine Trafficking

Justice Minister Hirsch Ballin stated in the seventh (and final) progress report assessing the Schiphol drug policy, published in late 2006, that despite the dramatic decline in the number of cocaine couriers arrested at the Amsterdam airport, the 100 percent controls of inbound flights from the Netherlands Antilles and Suriname would continue indefinitely. In 2006, the number of drug couriers arrested on these flights dropped to 928, from more than 2,000 in 2005. Netherlands-bound drug couriers increasingly appear to transit the Dominican Republic and Mexico as they attempt to traffic Colombian cocaine to the Netherlands. In June 2007, an X-ray machine was installed at Schiphol airport to enable selected passengers on flights from the Netherlands Antilles, Aruba, Suriname and Venezuela to be screened on site. Previously, these drug scans took place in Schiphol’s detention center.

In December 2006, the KMar military police was instructed by the Justice Ministry to stop sharing the Schiphol “black list” of couriers intercepted at the airport with DEA The Hague for privacy reasons. The Ministry indicated that, since Dutch policy requires the names to be removed from the list after three years, entering the names into DEA database without a sunset provision would be contrary to Dutch law. To date, this issue has not been resolved and the suspension continues. DEA The Hague continues to supply the KMar at Schiphol with international trend information on routes being utilized by drug couriers.

In September 2007, Justice Minister Hirsch Ballin signed a cooperation agreement with six other EU member-states to combat South American “drug” vessels trying to get to Europe through West African ports. The agreement provides for joint actions by the Coast Guard, Navy and Air Force, and the exchange of information. The new Maritime Analysis and Operations Center for Narcotic Drugs (MAOC-N) is open and operating in Lisbon.

In September 2007, a Rotterdam Customs drug-sniffing dog found 1,674 kg of cocaine hidden in a container with coffee from Costa Rica. The drugs had a street value of more than 40 million euros. International cooperation between the National Crime Squad (NR) and the National Prosecutor’s office and authorities in Brazil and Uruguay resulted in the dismantling of an international drug and money laundering organization in September 2007. The NR arrested four people, including the main suspect, after a Brazilian investigation led to the discovery of an additional 485 kg of cocaine in Uruguay.

After a tip by the Rotterdam “Hit and Run Container” team (HARC – an interagency squad that includes the sea-port police, customs, and the FIOD-ECD fiscal and economic information service, and the public prosecutor’s department), Colombian authorities in August 2007 seized a container with 4,000 kg of cocaine (at an estimated street value of 180 million euros), underway from Peru to Rotterdam. Shortly before, the HARC team had found 40 kg of cocaine hidden in wooden beams, shipped from Brazil to Rotterdam in a container. The investigation of that case uncovered the possibility of a second shipment by the same group.

Ecstasy

The Government’s successful five-year strategy (2002-2006) against the production, trade and consumption of synthetic drugs was assessed positively at the end of 2006 by the Justice Ministry’s independent research center (WODC). The WODC concluded that:

- Cooperation among investigation and enforcement services has been improved;
- Dozens of investigations were initiated, leading to the arrest of hundreds of suspects;
- More than 20 million Ecstasy tablets and thousands of liters of chemical precursors were seized;
- 130 production labs were dismantled.
- There were indications that synthetic drugs production has dropped but has not been eliminated.

In May 2007, Justice Minister Hirsch Ballin sent Parliament a policy memorandum, “Continued Measures against Synthetic Drugs as of 2007,” outlining the Dutch government’s objectives and strategies to combat Ecstasy and other synthetic drugs over the next several years. The new policy measures include enhanced law enforcement efforts to combat the production and trade of synthetic drugs, vigorous drug use prevention and information efforts, and closer international cooperation. The plan was approved by Parliament in June, and is currently being implemented. According to a report by the Dutch national police, the Netherlands has successfully moved away from being the world’s leading MDMA-Ecstasy producing country. The police noted a shift in production to Belgium and countries such as Canada and Australia. (For more details on seizures, see section on cultivation/production.)

In April 2007, a joint investigation by DEA The Hague and the National Crime Squad (NR) into an MDMA trafficking organization resulted in the seizure of some 460 kg of MDMA and the arrest of five defendants. The investigation is ongoing.

In May 2007, the NR seized 800 kg of MDMA powder, 2.5 million MDMA tablets, 270 kg of amphetamine, and 210 kg of hashish in a warehouse at an industrial site in the south of the country.

Heroin

In July 2007, the Justice Minister informed Parliament that the program under which incarcerated addicts are offered treatment in detention centers, if necessary under coercion, would be expanded from 3,000 to 6,000 addicts per year in 2011. According to the Justice Ministry, some 30 to 40 percent of the prison population has addiction problems, often in combination with other (mental) disorders.

In 2007, a joint investigation by DEA The Hague and the National Crime Squad (NR) into an international heroin trafficking organization led to the seizure of some 24 kg of heroin and the arrest of 12 defendants in The Netherlands. The investigation also led to the seizure of some 300 kg of heroin in Turkey and the arrest of suspects in Turkey, Austria and Germany. The investigation is ongoing.

In October 2007, Justice Minister Hirsch Ballin denied press allegations that 160 kg of heroin seized by the police in a Turkish drug investigation had disappeared. He also denied use of controlled deliveries and of criminal undercover agents, as had been reported by a national TV program.

Law Enforcement Efforts. The Health Ministry coordinates drug policy, while the Ministry of Justice is responsible for law enforcement. Matters relating to local government and the police are the responsibility of the Ministry of Interior. At the municipal level, policy is coordinated in tripartite consultations among the mayor, the chief public prosecutor and the police.

The Dutch Opium Act prohibits the possession, commercial distribution, production, import, and export of all illicit drugs. Drug use, however, is not an offense. The act distinguishes between

“hard” drugs that have “unacceptable” risks (e.g., heroin, cocaine, Ecstasy), and “soft” drugs (cannabis products). Trafficking in “hard drugs” is prosecuted vigorously and dealers are subject to a prison sentence of up to 12 years. When trafficking takes place on an organized scale, the sentence is increased by one-third (up to 16 years). Sales of small amounts of cannabis products (under five grams) are “tolerated” (i.e., not prosecuted, even though technically illegal) in “coffeeshops” operating under regulated conditions (no minors on premises, no alcohol sales, no hard drug sales, no advertising, and not creating a “public nuisance”). Commercial production and distribution of cannabis is illegal and is vigorously prosecuted.

The National Crime Squad (NR) has proved very effective in drug investigations; cooperation with DEA is close and effective. The co-location of DEA special agents with the NR office in The Hague, which focuses on cocaine investigations, and in Helmond, which focuses on synthetic drugs and precursor chemicals, continued in 2007; co-location has proved productive for both DEA and the NR. Since co-location began at the NR office in The Hague, DEA and the NR have jointly conducted nine major international drug trafficking investigations, which led to the arrest of 45 defendants in the Netherlands and the seizure of approximately 6,600 kg of cocaine by Dutch law enforcement authorities.

In May 2007, the Netherlands became a full member of DEA’s International Drug Enforcement Conference (IDEC) at the annual conference in Madrid, Spain. The Dutch delegation to IDEC consisted of an NR official and a senior prosecutor from the National Public Prosecutor’s office. The Dutch are expected to participate in all IDEC conferences in the future. The Netherlands will host the Synthetic Drug Enforcement Conference (SYNDEC III) in November 2007. The DEA delegation will include staff from DEA The Hague, DEA Brussels and DEA Headquarters. In June 2007, the DEA Chief of International Programs participated in the Pearls in Policing Conference on Police Leadership hosted by the National Dutch Police Force (KLPD) in The Hague. This conference, attended by some 40 senior international law enforcement officials, discussed the challenges faced by international law enforcement in the 21st century.

In 2007, DEA and the KLPD began joint clandestine laboratory training. DEA personnel traveled to The Hague for specialized training on MDMA clandestine laboratories and KLPD officers were provided specialized training on methamphetamine labs at the DEA Academy in Virginia. In addition, Dutch authorities provided equipment to the DEA Academy to set up an operational MDMA lab for use in training DEA agents and other U.S. law enforcement officers. DEA The Hague and KMar’s financial unit at Schiphol airport have also begun to cooperate on joint money laundering cases and cash courier seizures. In 2007, this new program led to the seizure of more than \$2 million in narcotics proceeds, and the arrest of a DEA fugitive from 1997, who was arrested at Schiphol with 1.2 million Euros in cash.

All foreign law enforcement assistance requests continue to be sent to the DINPOL (International Network Service), a division of the KLPD. The DINOPOL has assigned two liaison officers to assist DEA and other U.S. law enforcement agencies. Since the reorganization of the NR, the DINOPOL has allowed DEA and other liaison officers to contact two of the five NR offices directly with requests. In addition, DEA has been allowed to contact regional police offices on a case-by-case basis. This policy has permitted better coordination during ongoing enforcement actions, such as controlled deliveries and undercover operations. Under Dutch law enforcement policy, prosecutors control most aspects of an investigation. Dutch police officers must get prosecutor concurrence to share information directly with foreign liaison officers on a police-to-police basis. This can hamper the quick sharing of information, which could be used proactively in an ongoing investigation. However, the quick sharing of police-to-police information is improving as a result of the increased access for DEA agents with NR units. Dutch law enforcement has also become much more willing to undertake controlled delivery operations with DEA without an MLAT. In fiscal year 2004, the Dutch did not accept any requests from DEA for controlled

delivery operations. In FY 2006, U.S. law enforcement proposed 31 controlled deliveries to the Dutch, of which five were accepted and one was successful. Most of these controlled deliveries are small amounts of cocaine (less than five kilograms) contained in parcels being sent from South America or the Caribbean (Source: KLPD National Police Force):

Drug Seizures	2005	2006
Heroin (kg)	902	984
Cocaine (kg)	14,603	10,581
Ecstasy (tablets)	1,854,487	4,118,252
Ecstasy(powder and paste)(kg)	430	664
Synthetic drug labs	19	23
Amphetamine (kg)	1,576	633
Amphetamine (tablets)	980	38,077
LSD (doses)	625,000	22,599
LSD (tablets)	2,482	
Methadone (tablets)	13,752	11,559
Cannabis resin (kg)	5,484	4,622
Marijuana/"Nederwiet" (kg)	4,237	6,641
Hemp plants	1,672,103	1,570,006
Dismantled hemp plantations	5,630	5,201

Corruption. The Dutch Government does not encourage or facilitate illicit production or distribution of narcotic or psychotropic drugs or other controlled substances, or the laundering of proceeds from illegal drug transactions. No senior official of the Dutch Government engages in, encourages or facilitates the illicit production or distribution of such drugs or substances, or the laundering of proceeds from illegal drug transactions. Press reports of low-level law enforcement corruption appear from time to time but the problem is not believed to be widespread or systemic. In September 2007, three Schiphol Customs officers were arrested on suspicion of having played a role in cocaine trafficking through the airport. So far this year, the KMar military police at Schiphol arrested 17 employees of businesses located at the airport for drug trafficking.

Agreements and Treaties. The Netherlands is party to the 1988 UN Drug Convention, the 1971 UN Convention on Psychotropic Substances, the 1961 Single Convention on Narcotic Drugs as amended by the 1972 Protocol. The Netherlands is a member of the UN Commission on Narcotics Drugs and the major donors group of the UNODC. The Netherlands is a leading member of the Dublin Group of countries coordinating drug-related assistance. The Netherlands is party to the UN Convention against Corruption, and to the UN Convention on Transnational Organized Crime and its protocols on trafficking in persons and migrant smuggling. The U.S. and the Netherlands have fully operational extradition and mutual legal assistance agreements (MLAT).

Cultivation and Production. Although commercial (indoor) cultivation of hemp is banned, about 80 percent of the Dutch cannabis market is Dutch-grown marijuana ("Nederwiet"). The Justice Ministry announced in November 2007 that the fight against illegal cannabis cultivation, which

began in 2006, will be stepped up over the next few years. The investigations will particularly focus on fighting the criminal organizations behind the cannabis plantations. According to a report by the National Police Force, 5,201 cannabis plantations were dismantled in 2006, about the same as in 2005.

The National Crime Squad (NR) synthetic drug unit concluded in its 2006 report that the Netherlands has long been considered the world's largest MDMA producer, followed at some distance by Belgium. However, the NR noted countries like Canada and Australia appear to be taking over at least some of the production. The Netherlands still has a leading position as a producer of amphetamine, predominantly destined for the European market. The NR seized almost no BMK and PMK chemical precursors in 2006, which is attributed to successful investigations in preceding years. The total number of Ecstasy tablets seized in the U.S. that could be linked to the Netherlands dropped significantly from 850,000 in 2005 to only 5,390 tablets in 2006. The number of registered Ecstasy tablets seized in the Netherlands totaled 4.1 million in 2006 compared to 1.85 million in 2005.

According to the 2006 NR report, 2006 MDMA seizures around the world that could be associated with the Netherlands totaled 5.7 million tablets and 72 kg of MDMA powder, as compared to over 13 million tablets and 23 kg of MDMA powder in 2005. MDMA (powder and paste) seizures in the Netherlands in 2006 rose to 664 kg from 430 kg in 2005. The NR also reported seizing 20,605 LSD paper doses, 385,205 MCPP tablets, and 5,000 methamphetamine tablets in 2006. The number of dismantled production sites in the Netherlands for synthetic drugs rose to 23 in 2006 from 18 in 2005. Of the 23 production sites dismantled, 9 were for amphetamine and 5 for Ecstasy production, and 7 were meant for Ecstasy tableting.

Drug Flow/Transit. The Netherlands remains an important point of entry for drugs to Europe, especially cocaine. The Dutch government has stepped up border controls to combat the flow of drugs, including the successful Schiphol Action Plan. Cocaine seizures in the Netherlands dropped from 14,603 kg in 2005 to 10,581 kg in 2006. Of the 2006 seizures, more than 4,500 kg were seized in the port of Rotterdam. Some 4,479 kg were seized at Schiphol, of which 3,238 kg from passengers and 1,241 kg in air cargo. Because of stronger controls at Schiphol, traffickers have diverted to other European airports or alternative routes. The government has expanded the number of container scanners in the port of Rotterdam and at Schiphol airport. Controls of highways and international trains connecting the Netherlands to neighboring countries have also been intensified.

Demand Reduction. The Netherlands has a wide variety of demand and harm-reduction programs, reaching about 80 percent of the country's 24,000-46,000 opiate addicts. The number of opiate addicts is low compared to other EU countries (about 3 per 1,000 inhabitants); the number has stabilized over the past few years; the average age has risen to 40; and the number of overdose deaths related to opiates has stabilized at between 30 to 50 per year. Needle supply and exchange programs have kept the incidence of HIV infection among intravenous drug users relatively low. Of the addicts known to the addiction care organizations, 75 percent regularly use methadone.

According to the 2006 National Drug Monitor, out-patient treatment centers registered some 31,510 drug users seeking treatment for addiction in 2005, compared to 30,745 in 2004. The number of cannabis addicts seeking treatment rose to 6,100 in 2005 from 5,500 in 2004, the number of opiate addicts seeking treatment rose slightly from 14,000 in 2004 to 14,200 in 2005, and the number of cocaine users seeking help dropped slightly from 10,000 in 2004 to 9,800 in 2005. About 65 percent of addicts seeking help for cocaine problems are crack cocaine users.

Below are the latest available statistics on drug use among the general population ages 15-64, 2001 and 2005 of percent reporting life-time use and last-month/current use (Source: National Drug Monitor 2006, Trimbos Institute):

	Lifetime Use		Last-Month Use	
	2001	2005	2001	2005
Cannabis	19.5	22.6	3.4	3.3
Cocaine	2.1	3.4	0.1	0.3
Heroin	0.2	0.6	0.0	0.0
Amphetamine	2.0	2.1	0.0	0.2
Ecstasy	3.2	4.3	0.3	0.4

Prevention. Drug prevention programs are organized through a network of local, regional and national institutions. Programs target schools in order to discourage drug use among students, and use national mass media campaigns to reach the broader public. The Netherlands requires school instruction on the dangers of alcohol and drugs as part of the health education curriculum. The “healthy living” project developed by the Netherlands Institute of Mental Health and Addiction (the Trimbos Institute) continues to run in about 75 percent of Dutch secondary schools. At the request of the Health Ministry, the Trimbos Institute each year carries out drug information campaigns. The 24-hour national Drug Info Line of the Trimbos Institute has become very popular. In August 2007, Trimbos warned the Dutch public against the use of cocaine mixed with atropine, which caused one death and several overdose cases throughout the country.

IV. U.S. Policy Initiatives and Programs

Bilateral Cooperation. U.S. and Dutch law enforcement agencies maintained excellent operational cooperation, with principal attention given to countering the Netherlands’ role as a key source country for MDMA/Ecstasy entering the U.S. The U.S. Embassy in The Hague has made the fight against the Ecstasy threat one of its highest priorities. Dutch law enforcement has dramatically improved its acceptance of controlled delivery operations with the DEA, but continues to resist use of criminal undercover agents in investigations of drug traffickers. Law enforcement officials are also reluctant to acknowledge the involvement of large, international drug organizations in the local drug trade and do not use their asset forfeiture laws in conjunction with drug related investigations as often as the U.S. does. Bilateral law enforcement cooperation continues to expand under the “Agreed Steps” commitments fight drug trafficking. DEA The Hague has also noted improved and expedited handling of drug-related extradition requests. The U.S. is also working with the Netherlands to assist Aruba and the Netherlands Antilles in countering narcotics trafficking. The 10-year FOL agreement between the U.S. and the Kingdom for the establishment of Forward Operating Locations (for U.S. enforcement personnel) on Aruba and Curacao became effective in October 2001. Since 1999, the Dutch Organization for Health Research and Development (ZonMw) has been working with NIDA on joint addiction research projects. The Netherlands deploys warships to the Caribbean, where they conduct counternarcotics missions under the tactical control of Joint Interagency Task Force South. A Netherlands military officer, assigned to the JIATF South staff, also assists in coordinating this counternarcotics operational support.

The Road Ahead. U.S.-Dutch bilateral law enforcement cooperation is expected to intensify in 2008, particularly through DEA’s access to the two NR drug units in The Hague (cocaine) and Helmond (Ecstasy). In addition, in November 2007, DEA was given access to the new NR International Intelligence Center in Woerden. This center will be utilized to share strategic

intelligence and to coordinate multilateral international drug trafficking investigations. During the bilateral “Agreed Steps” law enforcement consultations in The Hague in October 2007, the U.S. and the Netherlands agreed to continue operational cooperation in international drug trafficking investigations. We expect the follow-up to the Dutch government’s successful Ecstasy Action Plan, which is currently being implemented, to further improve Dutch counter narcotics efforts.

Norway

I. Summary

Norway's illicit drug production remained insignificant in 2007. Norway tightly controlled domestic sales, exports and imports of precursor chemicals, limiting the potential for synthetic drug production ever to emerge in Norway. In 2007, the number of drug seizures fell moderately, but the volume of drugs seized rose significantly, with the volume of seized amphetamines up 78 percent. Cannabis accounted for 40 percent of the total number of seizures, followed by amphetamines (some 23 percent) and benzodiazepines (17 percent). Other drugs (including methamphetamine) made up about 20 percent of the seizures. The police continued to step up efforts to track and intercept drugs in transit through Norway. Norway is a party to the 1988 UN Drug Convention.

II. Status of Country

Norwegian illicit drug production remained insignificant in 2007 mainly due to Norway's tight regulations governing domestic sales, exports and imports of precursor chemicals and the country's unfavorable climatic conditions for vegetal-drug production. However, Norway remained a significant market and transit country for drugs produced in Central/Eastern Europe and elsewhere.

III. Country Actions against Drugs in 2007

Policy Initiatives. The Norwegian Ministry of Health and Social Care continued its narcotics and alcohol abuse treatment and prevention reform program in 2007, publishing several policy documents and brochures dealing with narcotics and alcohol abuse and their treatment (e.g., *Drugs and Alcohol in Norway*). The Ministry reiterated in reports that the national government, represented by the regional health enterprises, has the ultimate responsibility for treatment and prevention of narcotics and alcohol abuse. The Ministry acknowledged that the principal aim of state centralization of drug treatment policy is to provide improved and uniform health and counseling services for drug and alcohol abusers countrywide.

In May 2007, the Ministry opened a national electronic database on drugs and alcohol prevention and treatment as a guideline for local governments. In 2007, the Ministry continued to encourage the use of drug injection control rooms (in Oslo) for drug addicts. The rationale for the injection rooms is to remove the pressure on drug addicts to feed their addictions by crime and to provide addicts with sterilized injection needles in a controlled environment. The rooms have been criticized in the local press for encouraging drug abuse. A recent Conservative Party initiative to extend the use of injection control rooms to all counties in Norway was rejected on cost grounds as too expensive. In September 2007, the Liberal Party proposed using heroin for maintenance of long-term addicts in drug treatment programs but narcotics officials in the Ministry of Health and Social Care considered the proposal irrelevant, since there are alternative maintenance programs for drug rehabilitation in place in Norway.

A joint multi-party narcotics action committee continued its review of government narcotics policy. According to the committee's mandate, it will evaluate preventative strategies and propose drug rehabilitation and treatment alternatives. The committee is also mandated to study the premises behind current narcotics policy and propose any appropriate long-range policy changes.

In 2007, the Norwegian Police Directorate (PD), a part of the Ministry of Justice and Police, continued to enforce the PD's 2003-2008 counternarcotics action plan, with narcotics police following up by carrying out an increasing number of countrywide and border drug raids. The PD has at its disposal modern equipment (e.g., one helicopter; drug scanner machinery at borders). The

2003-2008 action plan carries forward plans and initiatives to meet the objectives of the 1988 UN Drug Convention. The PD thus focuses on reducing domestic drug abuse, identifying and curbing illicit drug distribution, and curbing drug abuse among drivers of motor vehicles. The PD announced a more comprehensive drugs of abuse list in 2007.

In other developments, the PD continues to support the so-called Verdal (a small community in the county of north Trondelag) Initiative, where the local community has introduced measures to curb narcotics use locally. In addition, Norway has introduced a mapping system aimed at detecting new abuse patterns. The so called “Early Warning System” has been introduced in the big towns of Bergen, Oslo and Drammen and it is primarily aimed at youth and young adults. Indicators are compiled, and officials seek contact with affected youths and subcultures, with the objective of identifying and responding to any emerging drug abuse issues. The PD also supports various local counternarcotics rehabilitation actions that emerged in 2007.

Norway’s customs and excise directorate (CED) continued its counternarcotics efforts. The CED has now been equipped with mobile x-ray scanners that can detect drugs, illegal firearms and alcohol in vehicles passing major border crossings. The CED continued implementing its own counternarcotics plan aimed at curbing drug imports, and seizing illicit drug money and chemicals used in narcotics production. The CED coordinates its efforts with the police and the Coast guard.

Law Enforcement Efforts. According to statistics compiled by the Norwegian police crime unit (KRIPOS), the total number of drug seizures in 2007 declined by 10.8 percent to an estimated 23,170 cases from 25,963 in 2006. However, the narcotics police and customs agents noted that the volume of drugs seized rose significantly, with the amount of amphetamines seized up 78 percent. The authorities made some big drug hauls: (a) the seizure of 110 kg of amphetamines from a Norwegian-Dutch drug gang in May 2007; and (b) the seizure of more than 140 kg of amphetamines by customs agents patrolling Norway’s southern border with Sweden in two incidents in September/October 2007. The police and customs agents said they continue to focus attention on drug “wholesalers” rather than individual abusers. Of the seizures made in 2007, cannabis accounted for 40 percent, amphetamines 23 percent, benodiazepines 17 percent, and other drugs accounted for 20 percent of total seizures.

The market in Norway for methamphetamine remains limited, and is estimated at less than 500 kg per year. The methamphetamine seizures accounted for less than 5 percent of the 2007 seizures. In 2006 (the most recent year for which figures were available), the number of persons charged with narcotics offenses rose 11 percent to about 41,700—compared with 37,567 in 2005—reflecting increased police vigilance, and probably increased abuse as well. In order to discourage the use of narcotics substances, Norwegian law enforcement authorities have continued to make coordinated raids at border crossings against smuggling rings and to impose heavy fines relating for narcotics offenses. In a move to improve law enforcement, the Ministry of Justice and Police has given permission to use technical means to monitor the conversations of narcotics offenders.

Corruption. Neither the government, as a matter of policy, nor senior government officials engage in, encourage, or facilitate illicit production or distribution of drugs, or the laundering of proceeds from illegal drug transactions.

Agreements and Treaties. Norway is a party to the 1988 UN Drug Convention, the 1971 UN Convention on Psychotropic Substances, and the 1961 UN Single Convention as amended by the 1972 Protocol. Norway is also a party to the UN Convention against Transnational Organized Crime and its protocols against trafficking in persons, migrant smuggling and illegal manufacturing and trafficking in firearms, and the UN convention against corruption. Norway has an extradition treaty and customs agreement with the U.S. Norway remains a member of Interpol, the Dublin group, and the Pompidou group. In October 2007, Norway signed a narcotics cooperation accord with Russia to help combat the flow of drugs from Russia and Afghanistan.

Cultivation/Production. Very small quantities of Norwegian-grown hashish/cannabis concealed as potted or cultivated plants in private premises were the only illicit drug cultivation detected in Norway this year. While there is concern that narcotics dealers may establish mobile synthetic drug laboratories, few significant seizures of such labs occurred in 2007.

Drug Flow/Transit. According to KRIPOS, the 2007 inflow of illicit drugs remained significant in volume terms with amphetamines, cannabis, heroin, benzodiazepines, and Ecstasy topping the list. Most illicit drugs enter Norway by road from other European countries including Lithuania and the other Baltic states (e.g., amphetamines), Russia (e.g., methamphetamine), Poland, the Netherlands, Belgium, Germany, Morocco via Spain, Central Asia, the Balkans and other countries in Eastern Europe and Afghanistan. In the past, some drugs have been seized in commercial vessels arriving from Europe and Central/South America.

Domestic Programs (Demand Reduction). Government ministries and local authorities continue to initiate and strengthen counternarcotics abuse programs. According to the Ministry of Health and Social Care, a reduced number of drug-related deaths during 2007 suggest that these programs have been successful. While the maximum penalty for a narcotics crime in Norway is 21 years imprisonment, penalties for carrying small amounts of narcotics are not severe.

IV. U.S. Policy Initiatives and Programs

Bilateral Cooperation. DEA officials consult with their Norwegian counterparts, and continue to cooperate on drug related issues.

The Road Ahead. Norway and the U.S. will continue to cooperate on narcotics-related issues both bilaterally and in international forums, notably the EU.

Poland

I. Summary

Poland has historically been a transit country for drug trafficking. However, with Poland's recent entry into the Schengen zone of borderless travel and as economic conditions improve, it has become a more significant transit country, while continuing to be a producer of amphetamines. Illicit drug production and trafficking are often tied to organized crime, and, although Polish law enforcement agencies have been successful in breaking up organized crime syndicates involved in drug trafficking, criminal activities continue to become more sophisticated and global in nature. Cooperation between the USG and Polish law enforcement is good. Poland is a party to the 1988 UN Drug Convention

II. Status of Country

Poland has historically been a transit country for drug trafficking; however, improving economic conditions and increased ease of travel to Western Europe have increased its significance as a transit country and a producer of amphetamines. Cooperation between USG officials and Polish law enforcement has been consistent and Poland's EU accession accelerated the process of GOP diligence on narcotics policy.

III. Country Actions Against Drugs in 2007

Policy Initiatives. The 2006 expenditures on the National Program for Counteracting Drug Addiction totaled approximately \$103.5 million dollars (321 million PLN based on an average exchange rate for 2006). This figure includes expenditures of the National Bureau for Drug Addiction, National AIDS Center, the Institute of Psychiatry and Neurology, the Border Guards, the National Health Fund, Customs Service, Provincial and Communal Governments, various training programs, and many other associated expenses. The National Plan was enacted into law in 2005 to ensure legislative commitment to counternarcotics, and the Ministry of Health is also seeking to codify its National Plans on HIV and AIDS. Administrative control for counternarcotics programs remains somewhat decentralized. Demand reduction programs are managed jointly by the National Bureau for Drug Addiction and provincial and communal governments, with the idea that this model improves the system's ability to target local populations. Other GOP elements involved in counternarcotics efforts include the police, Border Guards, and National Health Fund.

After the Polish accession to the European Union in May 2004, Poland ceased to receive EU funding to combat narcotics. Today, some support for counternarcotics activities comes from general EU funds for equipment and communication and additional funding for implementation of the Schengen zone, which Poland joined on December 21, 2007.

Law Enforcement Efforts. In 2007, the Polish National Police (PNP) cooperated with the DEA in several narcotics investigations targeting trafficking organizations that import controlled substances into Poland. They also worked cases focused on organized crime gangs that export controlled substances to the United States. Polish law permits the use of informants, telephone taps, and controlled deliveries to fight international crime, and a witness protection program is in place. Cooperation between the Polish police and Border Guards is good, especially on controlled deliveries. Poland works with Interpol and EUROPOL to combat transnational narcotics trade. Poland also cooperates with several neighboring countries on counternarcotics programs, including Project Eagle, a program of Polish-Swedish cooperation on trafficking of amphetamines. Poland also has bilateral programs in place with Russia to improve cooperation on the expert level for the

prosecution of narcotics cases, which have been implemented in cases on P2P smuggling through Lithuania, Ukraine and Belarus.

In 2007, the Polish police closed down 12 amphetamine labs with additional successes achieved by other Polish special services agencies. Twenty percent of the labs closed were run by foreigners, including individuals from Greece and Germany. One sign of the success of local law enforcement in uncovering amphetamine labs is the relocation of labs from Warsaw to more remote, rural areas. In 2006, 28,634 suspects were detained for questioning in drug-related cases and there was evidence of over 70,000 drug-related transactions. In October 2007, 50 kg of heroin was seized during shipment from the former Soviet Union to the Netherlands. With new legislation in effect, sentences for trafficking narcotics have been raised to a maximum of 15 years. All forms of possession are now punishable. The new possession laws doubled the number of criminal cases per year from approximately 30,000 to 60,000.

Agreements and Treaties. Poland is a party to the 1988 UN Drug Convention, the 1971 UN Convention on Psychotropic Substances, and the 1961 UN Single Convention, as amended by the 1972 Protocol. An extradition treaty and MLAT are in force between the U.S. and Poland. Poland is party to the UN Convention on Transnational Organized Crime and its protocols against migrant smuggling, trafficking in persons, and illegal manufacturing and the UN Convention Against Corruption. Poland is also a member of the Dublin Group of countries coordinating narcotics assistance policies.

Drug Flow/Transit. Synthetic drugs, particularly amphetamines, are manufactured in Poland in small-scale kitchen operations. The quality of amphetamines in Poland tends to be high as a result of double distillation, making Polish amphetamines competitive with the cheaper, large-scale production amphetamines from Belgium or the Netherlands. Sixty percent of Polish-produced amphetamines are exported to Scandinavia. Precursors for amphetamines are not locally available and must be imported from other countries. The profitability of amphetamine trade remains low. The majority of money and foreign participation is in the cocaine traffic. Heroin, hashish, cocaine, and Ecstasy frequently transit the country, destined for Western Europe. Ecstasy prices in Poland in 2007 ranged from 15 to 40 PLN per pill and pills can be bought wholesale for 8 PLN (\$1 = 2.46 Polish Zloty).

Opium, originating from Afghanistan, is also frequently shipped through Poland, destined for Western Europe. Sea-based shipments of narcotics have also been seized. A shipment of 1.3 tons of Colombian cocaine destined for Szczecin, Poland was seized in December 2006 in Sweden.

Domestic Programs. The National Bureau for Drug Addiction has a comprehensive plan for reducing drug addiction and programs to discourage new users. Currently, the GOP estimates the drug user population in Poland to be between 35,000 and 70,000 people. The Bureau is working with the Polish parliament to support new programs for recreational users, in addition to traditional programs such as the residential programs that target addicts. Demand reduction efforts such as government-prescribed school counternarcotics programs and programs intended to empower parents to talk with their children about drugs have proven to be successful, and preliminary figures show a decrease in the consumption of all drugs, with the exception of amphetamines in the 16 and older age group: while the number of potential users in this age group is decreasing because of demographic factors, the total number of addicts is growing. Treatment efforts, such as drug-free residential programs have continued to grow, almost doubling capacity from 1,600 beds in 1999 to 2,500 beds today. One of the residential programs in use is a Methadone program, in which an opiate derivative is used to stabilize addicts and slowly wean them off of opiates, while minimizing the risk of HIV infection. HIV first appeared in Poland in 1988 and now Poland has 20,000 cases of HIV, a low number attributable to the early implementation of needle exchange programs. Poland also has a robust harm reduction program, including the "Discotech" program which works

with club owners to provide free bottled water at “Rave-prone” dance parties to reduce drug-induced dehydration illnesses, and consequence training, which helps addicts learn how to care of themselves and provides information on treatment options available when they choose to seek treatment. For 2008, the Bureau is working on a leaflet on date-rape drugs and a campaign against driving under the influence of drugs, as preliminary data shows that approximately 150,000 drivers operate vehicles while impaired.

IV. U.S. Policy Initiatives and Programs

Bilateral Cooperation. Bilateral cooperation between the U.S. and Polish counternarcotics players remains strong, especially since the stationing of two DEA officers in Warsaw in 2005. One of the challenges to cooperation on a policy-level remains the high turn-over of managerial-level counterparts. Additionally, the GOP finds that our efforts to collaborate on some judicial issues are less than wholly productive owing to differences in how our legal systems operate. Nonetheless, DEA and LEGATT find that there is good cooperation on a working level. Their Polish counterparts comment that these offices are a focal point of their bilateral and multilateral cooperation.

The Road Ahead. With the expansion of the Schengen zone on December 21, 2007, and Poland’s geographical location on the Afghan heroin trafficking route, it is likely that Poland’s role as a transit country will persist in the near future. Both bilateral and regional cooperation on counternarcotics issues will continue to play an important role in improving the fight against narcotics trafficking.

Portugal

I. Summary

Although Portugal saw a significant decline in drug seizures from South America from the previous year, it continues to be a key transit spot for narcotics entering Europe. For example, seizures of cocaine decreased from 30.4 metric tons in the first six months of 2006 to 5.2 metric tons during the same period in 2007. In the first half of 2007, seizures of heroin also diminished by 45 percent. Hashish seizures increased significantly from around 3.6 metric tons to 15.1 metric tons. U.S.-Portugal cooperation on drugs has included visits to Portugal by U.S. officials and experts, and consultations on the newly established Maritime Analysis Operations Center for Narcotics (MAOC-N), located in Lisbon. Portugal is party to the 1988 UN Drug Convention.

II. Status of Country

Drug smugglers use Portugal as a gateway to Europe; their task is made easier by open borders between the Schengen Agreement countries and by Portugal's long coastline. South America was the primary source for cocaine arriving in Portugal, largely from Brazil and Venezuela. Other primary source countries were Morocco and Spain, especially for hashish. Cocaine and heroin enter Portugal by commercial aircraft, truck containers, and maritime vessels. The Netherlands, Spain and Belgium are the primary sources of Ecstasy in Portugal. Drug abuse within the Portuguese prison system continues to be a major concern for authorities.

III. Country Actions Against Drugs in 2007

Policy Initiatives. Portugal decriminalized drug use for casual consumers and addicts on July 1, 2001. The law makes the "consumption, acquisition, and possession of drugs for personal use" a simple administrative offense. In 2007, the Portuguese Parliament approved a law allowing police to test drivers' saliva for driving under the influence of narcotics and/or alcohol. If the road-side sample is positive, drivers must then undergo a blood test at a health establishment to confirm the results. Drug testing prior to the new law had to be done at a health care establishment, making the process more complicated for both drivers and law enforcement officers.

Law Enforcement Efforts. Portugal has seven separate law enforcement agencies that deal with narcotics: the Judicial Police (PJ), the Public Security Police (PSP), the Republican National Guard (GNR), Customs (DGAIEC), the Immigration Service (SEF), the Directorate General of Prison Services (DGSP), and the Maritime Police (PM). The PJ is a unit of the Ministry of Justice with overall responsibility for coordination of criminal investigations. The PM report to the Ministry of Defense and the other entities are units of the Ministry of the Interior. According to a 2007 semi-annual report prepared by the PJ, the Portuguese law enforcement forces arrested 3,331 individuals for drug-related offenses in the first six months of 2007 as "traffickers/consumers." Most were Portuguese citizens, followed by a number of nationalities, including Cape Verdeans (208), Bissau-Guineans (48), Brazilians (44), Venezuelans (38), Spaniards (27), and Angolans (21). The 2007 PJ semi-annual report indicates a significant decrease in the cocaine seized in the first half of 2007 compared to the first half of 2006. Cocaine seizures fell from 30.4 metric tons to just 5.2 metric tons in the first half of 2007. Also over the first six months of 2007, compared to the same timeframe in 2006, hashish seizures jumped four-fold to 15.1 metric tons, Ecstasy seizures decreased by 54,998 pills and heroin seizures declined by 36 kilograms. The 2007 PJ report indicates over 1 million Euros in cash, the equivalent of over 24,000 Euros in foreign currency, and more than 300 vehicles, 1,000 cell phones, and 121 weapons have been seized. On May 25, 2007 PJ officials seized a container with 2.2 tons of cocaine transiting Port of Leixoes in Northern

Portugal destined for Spain with a tip off from Spain's National Police. PJ officers arrested two suspected narco-traffickers and 16,000 individual doses of heroin in the largest narcotics seizure in Madeira's history on September 26, 2007.

Corruption. As a matter of government policy, Portugal does not encourage or facilitate the illicit production or distribution of drugs or substances, or the laundering of proceeds from illegal drug transactions. Although the PJ did have a corruption and theft incident in 2007, the force conducted a full investigation and charged suspects with the crime. In July, a senior PJ officer in the counternarcotics unit was arrested for diverting over 100,000 Euros seized in a drug investigation for private use. In April, a PSP Lieutenant and an agent working in Amadora, a suburb of Lisbon, also were investigated for using seized drugs from one investigation as evidence against other, unrelated suspected drug dealers.

Agreements and Treaties. Portugal is a party to the 1988 UN Drug Convention, the 1961 UN Single Convention as amended by the 1972 Protocol, and the 1971 UN Convention on Psychotropic Substances. Portugal is a party to the UN Convention against Transnational Organized Crime and its protocols against trafficking in persons and migrant smuggling. In September 2007 Portugal ratified the UN Convention against Corruption. A Customs Mutual Assistance Agreement (CMAA) has been in force between Portugal and the U.S. since 1994. Portugal and the U.S. are parties to an extradition treaty from 1908. Although this treaty does not cover financial crimes or drug trafficking or organized crime, certain drug trafficking offenses are deemed extraditable in accordance with the terms of the 1988 UN Drug Convention.

Drug Flow/Transit. Portugal's long, rugged coastline and its proximity to North Africa offer an advantage to traffickers who smuggle illicit drugs into Portugal. In some cases, traffickers are reported to use high-speed boats in their attempts to smuggle drugs into the country and some traffickers use the Azores islands as a transshipment point. The U.S. has not been identified as a significant destination for drugs transiting through Portugal.

Domestic Programs. Responsibility for coordinating Portugal's drug programs was moved to the Ministry of Health in 2002. The Government also established the Institute for Drugs and Drug Addiction (IDT) by merging the Portuguese Institute for Drugs and Drug Addiction (IPDT) with the Portuguese Service for the Treatment of Drug Addiction (SPTT). The IDT gathers statistics, disseminates information on narcotics issues and manages government treatment programs for narcotic addictions. It also sponsors several programs aimed at drug prevention and treatment, the most important of which is the Municipal Plan for Primary Prevention. Its objective is to create, with community input, locality-specific prevention programs in thirty-six municipal districts. IDT runs a hotline and manages several public awareness campaigns. Regional commissions are charged with reducing demand for drugs, collecting fines and arranging for the treatment of drug abusers. A national needle exchange program was credited with significantly reducing the spread of HIV/AIDS and hepatitis, although HIV infections resulting from injections are still a major concern in the Portuguese prison system. In November 2006, Lisbon city officials approved plans for legalized assisted narcotics consumption centers or "shoot houses" to open in late 2007 but the heated internal debate has stalled plans to open. Portugal is implementing its National Drugs Strategy: 2005-2012, with an intermediary impact assessment scheduled for 2008. It builds on the EU's Drugs Strategy 2000-2004 and Action Plan on Drugs 2000-2004 and focuses on reducing drug use, drug dependence and drug-related health and social risks. The system will include prevention programs in schools and within families, early intervention, treatment, harm reduction, rehabilitation, and social reintegration measures. Drug demand reduction measures take into account the health-related and social problems caused by the use of illegal psychoactive substances and of poly-drug use in association with legal psychoactive substances such as tobacco, alcohol and medicines. The program aims at strengthening cooperation among all security forces within Portugal as well as within the 27 EU member states. The program also will intensify law

enforcement cooperation with important source countries for drugs found in Portugal, including countries in Africa and South America.

IV. U.S. Policy Initiatives and Programs

Bilateral Cooperation. DEA-Madrid is responsible for coordinating with Portuguese authorities on U.S.-nexus drug cases. The Portuguese Customs Bureau cooperates with the U.S. under the terms of the 1994 CMAA.

In late 2006, Portugal was selected to host an international counternarcotics information sharing initiative, the Maritime Analysis and Operation Center Narcotics (MAOC-N), which was officially launched on September 30, 2007. The MAOC-N coordinates law enforcement information and resources among participant nations (Portugal, United Kingdom, France, Spain, Italy, Netherlands and Ireland) by sharing intelligence on narcotics shipments and by deploying the appropriate national assets to stop the traffickers. The Center's main focus is to combat the importation of cocaine from South America to Europe, especially maritime routes in the North Atlantic and Center-West (Western Africa) areas, but also targets air transport. The MAOC-N is implementing some methods used by the U.S. Joint Interagency Task Force-South in Key West, Florida. It has assistance of two U.S. Liaison Officers observers, one each from the Joint Interagency Task Force (South and European Command), and the United States has observer status in the group. From April 1 until November 1, 2007, MAOC-N coordinated ten maritime operations, which located and seized a total of 18.9 metric tons of cocaine.

The Road Ahead. Portugal and the U.S. will use their excellent cooperative relationship to improve narcotics enforcement in both countries.

Romania

I. Summary

Romania is not a major source of illicit narcotics. However, Romania serves as a transit country for narcotics and lies along the well-established Northern Balkan route used to move opiates derivatives such as opium, morphine base and heroin from Afghanistan to Central and Western Europe. It is a developing route for the transit of synthetic drugs from Western and Northern Europe to the East. Romania recently begun to produce a small amount of amphetamines and also is used as a transit point for South American cocaine destined for Western Europe, especially through Constanta. In 2007, Romania made several major drug seizures. Romania worked to implement its 2005-2008 National Anti-Drug Strategy. Romania is a party to the 1988 UN Drug Convention.

II. Status of country

Romania lies along what is commonly referred to as the Northern Balkan Route, and is, therefore, a transit country for narcotics, mainly heroin and opium, moving from Southwest Asia, principally Afghanistan, through Turkey and Bulgaria and onward toward Central and Western Europe. Romania also lies along a developing route for the transit of synthetic drugs from Western and Northern Europe to the East, and is a source for some synthetic drugs. A large amount of precursor chemicals transit Romania from West European countries toward Turkey. Romania increasingly is becoming a storage location for illicit drugs prior to shipment to other European countries. Heroin and marijuana are the primary drugs consumed in Romania, however, the use of synthetic drugs such as MDMA (Ecstasy) increased among segments of the country's youth. Officials also predict an increase in domestic heroin consumption. Much of this increase is tied to growth in disposable incomes among Romanian youth.

III. Country Actions Against Drugs in 2007

Policy Initiatives. Romania continues building an integrated system of prevention and treatment services at the national and local level, with 47 Anti-Drug Prevention and Counseling Centers throughout the country. The General Directorate for Countering Organized Crime and Anti-Drug (DGCCOA) operates at both the central and territorial level, with 15 brigades assigned next to the local Appeal Courts and 41 county offices for combating narcotics and organized crime. Joint teams of police and social workers carry out educational and preventative programs against drug consumption. Romania plays an active role in the Bucharest-based Southeast European Cooperative Initiative (SECI) Center's Anti-Drug Task Force.

Law Enforcement Efforts. In the first semester of 2007, Romanian authorities seized 165.78 kilograms of illegal drugs, including 117.65 kilograms of heroin, 45 kilograms of cocaine, 38.02 kilograms of cannabis, 3.31 kilograms of hashish and 18,559 amphetamine and derivatives pills. During the first semester of 2007, 2674 individuals were investigated for drugs and precursor trafficking, possession and consumption. This was an increase of 136.84 percent compared with the same period in 2006. 393 individuals were indicted, 246 are being held under preventive arrest. The Romanian Courts convicted 328 individuals. Of these, 313 received prison sentences.

Corruption. Corruption remains a serious problem within the Romanian government, including within the judiciary and law enforcement branches. The code of ethics for police officers provides strict rules for the professional conduct of law enforcement and specifically addresses corruption, use of force, torture, and illegal behavior. Unlawful or abusive acts may trigger criminal or disciplinary sanctions. In conjunction with the code of ethics, the government created a permanent

commission within the Ministry of the Administration and Interior to monitor compliance with the code of ethics. Also, the anti-corruption unit within the Ministry of the Administration and Interior conducted several internal undercover operations targeting police officers. As a matter of government policy, Romania does not encourage or facilitate illicit production or distribution of narcotic or psychotropic drugs or other controlled substances, or the laundering of proceeds from illegal drug transactions as a matter of government policy. Senior Romanian officials do not engage in, encourage, or facilitate the illicit production or distribution of dangerous drugs or substances, or launder the proceeds from illegal transactions.

Agreements and Treaties. Romania is a party to the 1988 UN Drug Convention, the 1961 UN Single Convention on Narcotic Drugs, and the 1971 UN Convention on Psychotropic Substances. The 1924 extradition treaty, 1936 supplementary extradition treaty, and 2001 mutual legal assistance treaty are currently in force between Romania and the United States. The U.S. and Romania concluded a new extradition treaty and a protocol to the mutual legal assistance treaty in September 2007. These instruments form the basis for a fully modernized law enforcement relationship with Romania and implement obligations under the US-EU extradition and mutual legal assistance agreements. The President transmitted both instruments to the Senate for advice and consent to ratification in January 2008. Romania is a party to the UN Convention against Transnational Organized crime and its three protocols, and the UN Convention against Corruption.

Cultivation/Production. Romania is not a significant producer of illicit narcotics; however, there is a small amount of domestic amphetamine production.

Drug Flow/Transit. Illicit narcotics from Afghanistan enter Romania both from the north and east, and through its southern border with Bulgaria. Land transportation methods include both cargo and passenger vehicles. However, drugs, primarily heroin, are also brought into the country via the Black Sea port of Constanta on commercial maritime ships and across the border with Moldova, as well as via the country's international airports. Once in Romania, the drugs move either northwest through Hungary, or west through Serbia. Police estimate that over 80 percent of the drugs entering Romania continue on to Western Europe. Romania also is becoming an increasingly important route for the transit of synthetic drugs from Western and Northern Europe to the East.

Domestic Programs. While consumption of narcotics in Romania has historically been low, this appears to be slowly changing. The Romanian government has become increasingly concerned about domestic drug consumption. Approximately, 870 drug prevention programs were initiated during the first semester of 2007, including programs against drug consumption in families, in schools or in the community. These were conducted in cooperation with local authorities, NGO's, religious organizations and private companies. Detoxification programs are offered through some hospitals, but treatment is severely limited. These programs are hampered by a lack of resources and adequately trained staff. During October-November 2006, the Interior Ministry enacted two decisions aimed at improving treatment for drug users. One decision refers to case management and the second provides for customized care plans for recovering drug users.

IV. U.S. Policy Initiatives and Programs.

Bilateral Cooperation. In 2006, the United States provided \$1,724,000 in assistance to further develop Romania's cyber-crime and counter narcotics capabilities, reform the criminal justice system, combat emerging crimes and counter official corruption. In 2007, Romania also benefited in 2007 from approximately \$1,329,000 in U.S. assistance to the SECI Center for Combating Trans-border Crime, which more broadly supports the twelve participating states in the Balkan region and focuses on trans-border crime, including the narcotics trade. The U.S. is a permanent observer country at the SECI Center and has recently approved two permanent DEA positions. These DEA officers will assist in coordinating narcotics information sharing, maintain liaison with

participating law enforcement agencies, and coordinate with the DGCCOA on case-related issues. A Resident Legal Advisor from the U.S. Department of Justice also is assigned to the SECI Center, providing guidance on drug trafficking investigations.

The Road Ahead. The U.S. and Romania will strive to develop their cooperation and move into new areas of interest to both sides. Drug crime seems to be increasing in Romania. The United States stands ready to assist Romania and nearby countries in meeting this growing challenge.

Russia

I. Summary

Trafficking in opiates from Afghanistan and their abuse were major problems facing Russian law enforcement and public health agencies in 2007. The Ministry of Health (MOH) estimates that up to six million Russians (of a population of 143 million) or 4.2 percent take drugs on a regular basis. Russian officials estimate that about 10,000 people die annually of drug overdoses and another 70,000 deaths are considered drug-related. There are estimates that nearly 70 percent of new HIV cases can be attributed to intravenous drug use and 90 percent of injection drug users are Hepatitis C positive.

The Federal Drug Control Service (FSKN) reported that the sharp post-Soviet increases in the number of drug users has begun to stabilize. The Government of Russia (GOR) has begun to take steps to address the public health issues associated with drug use. Health education programs in schools and outreach programs for youth and other vulnerable populations are beginning to incorporate messages concerning the harmful effects of drug use and the links between injecting drugs and HIV/AIDS. However, government-supported drug addiction treatment programs are ineffective and not widely available. Russia is a party to the 1988 UN Drug Convention.

II. Status of the Country

Russia is both a transshipment point and a user market for heroin, opium, marijuana, Ecstasy and other dangerous illegal substances including a synthetic injectable opiate comprised of a mixture of heroin and tri-methylfentanyl called "White China." Opiates in Russia originate almost exclusively in Afghanistan, and are often ultimately destined for Europe. The 7000-kilometer Russian border with Kazakhstan is roughly twice the length of the U.S.-Mexican border and poorly patrolled. Retail distribution of heroin and other drugs within Russia is carried out by a variety of criminal groups which include, but are not limited to Russian Organized Crime, Central Asian, Caucasian, Russian/Slavic, and Roma groups.

III. Country Actions Against Drugs In 2007

Policy Initiatives. The FSKN, originally established in 2003 as the State Committee for the Control of Traffic in Narcotic and Psychotropic Substances (GKPN), was restructured in 2004 to become the Federal Drug Control Service (FSKN). The FSKN has 35,000 employees, with branch offices in every region of Russia. Since its creation the FSKN has stressed the importance of attacking money laundering and other financial aspects of the drug trade. The money laundering division of the FSKN cooperates closely with the Ministry of the Interior (MVD), the Federal Security Service (FSB), and the Federal Customs Service (FTS), but its main partner is the Federal Service for Financial Monitoring (FSFM). The FSKN has also continued its efforts to implement effective monitoring of the chemical industry. Prior to the creation of FSKN, precursor chemicals and pharmaceuticals were governed by a patchwork of regulations enforced by different agencies. Production, transportation, distribution, and import/export of controlled substances now require licensing from FSKN.

On October 19, 2007, President Vladimir Putin signed a decree establishing the State Anti-Narcotics Committee. The stated purpose of the newly-established governmental steering body is to develop proposals for the President on national anti-narcotics policy, to coordinate the activities of various government agencies, and to participate in international drug enforcement cooperation efforts. The Committee is chaired by the FSKN Director and is comprised of seven federal ministers, 14 heads of federal services, a Ministry of Foreign Affairs representative, vice speakers

from the Duma and the Federation Council, and other officials. Anti-narcotics commissions will be established at the regional level and will be headed by the heads of regional administrations.

Internationally, President Vladimir Putin has authorized the FSKN to station 50 officers in foreign states to facilitate information sharing and joint investigations. The FSKN planned to open liaison offices in ten countries in by2008: Austria, Afghanistan, Iran, Kazakhstan, Kyrgyzstan, China, the U.S., Tajikistan, Ukraine, and Uzbekistan. The GOR has also indicated that its drug liaison officer in Kazakhstan will also work with the Central Asian Regional Information and Coordination Centre (CARICC), which is being established by the UN Office on Drugs and Crime and will be based in Almaty, Kazakhstan. CARICC will serve as a regional focal point for communication, analysis and exchange of operational information in “real time” on cross-border crime, as well as a center for the organization and coordination of joint operations. CARICC includes Azerbaijan, Kazakhstan, Kyrgyzstan, Tajikistan, Turkmenistan and Uzbekistan in addition to Russia.

On February 7, 2006, amendments to the Criminal Code reduced the minimum punishable amounts of illegal drugs a user can possess before he/she is subject to prosecution. This reversed legislation adopted in November 2003 that reduced the sentence for possession of drugs for “personal use” from a maximum of three years in jail to a fine. The 2006 amendments eliminated the category of “average dose” and defined the quantities of “large” and “especially large” amounts of drugs to be used in determining sentences for drug-related crimes as follows (amounts in grams): poppy straw (20/500), hashish (2/25), heroin (0.5/2.5), marijuana (6/100), opium (1/25), and methadone (0.5/2.5).

Russian legislators continue to press for harsh penalties for drug traffickers. At the end of 2007, a bill was pending before the Duma that would amend the criminal code to criminalize imports into Russia of synthetic analogs of narcotic substances, shift the authority to investigate such offenses from the Customs Service to FSKN, and stiffen the penalty from a fine to seven years in prison.

Law Enforcement Efforts. Through November 2007, the MVD registered 216,062 crimes related to illicit drug trafficking, the identification of 96,692 perpetrators, and 134,370 cases referred for prosecution. The following table reflects total drug seizures for 2006 and the first nine months of 2007 by all law enforcement agencies in Russia (all figures are in kg; Source: FSKN):

Substance	2006	Jan-Sept. 2007
Hashish	678	1,300
Marijuana	16,353	12,000+
Poppy Straw	1,671	20,000+
Opium	238	417
Heroin	1,981	1,337
Cocaine	21	155
Psychotropic substances	521	397

Precursor chemicals	1,699	10,192
Synthetic drugs	178	194

According to the FSKN, seizures have pushed up the price of almost every kind of drug across Russia. The average retail price for a gram of heroin in 2007 was \$56.00 versus \$ 51.54 in 2006. The average price in 2005 was \$40, in 2004 it was \$30 and in 2003 it was \$20. The wholesale price for a kilogram of heroin in 2007 is about \$26,000. Prices ranged from about \$11,300 to about \$75,200 per kilogram depending on quality and distance from Russia's border with Kazakhstan.

Clandestine amphetamine labs are occasionally reported in Russia. In November 2007, the FSKN reported that 100 grams of amphetamines, 300 tablets of methamphetamine and numerous rocket propelled grenades were discovered in a laboratory in the Rostov Region. The investigation resulted in the arrest of a 25-year-old post-graduate chemistry student from a local university who was alleged to be in control of the drug-production site. The FSKN also reported that, in 2007, six (6) kg of tri-methylfentanyl were seized at a clandestine laboratory in St. Petersburg. A seizure operation at a clandestine laboratory in Moscow region resulted in the discovery of tri-methylfentanyl, along with methadone and amphetamines. Further investigation by Russian authorities revealed that the chemical process for producing the seized drugs had been shortened dramatically, indicating that laboratory operators had an extensive background in chemistry and were very familiar with the chemical conversion process. The FSKN reports that a majority of tri-methylfentanyl seizures occur in small amounts (300-600 grams) in the northwest and western parts of Russia.

Although MDMA (Ecstasy) tablets produced in Russia are of poor quality, the low prices (as little as \$5 per tablet) are attractive to Russian youth compared to the \$20 typically charged for each tablet for MDMA from abroad (primarily The Netherlands and Poland). The St. Petersburg area is considered the primary gateway for foreign-produced MDMA smuggled into Russia. In 2007, Russian authorities seized 1.6 kg of MDMA from two Lithuanians in Voronezh, Russia—a city approximately 500 miles south of Moscow: an example of traffickers from the Baltic States entering the country from St. Petersburg and making drug deliveries not just to Moscow, but to some of the more remote parts of the country as well.

On November 1, 2007, FSKN and FSB agents seized ten (10) tons of acetic anhydride (AA) and arrested three subjects in Dzerzhinsk – a town approximately 250 miles east of Moscow where the only AA-producing factory in Russia is located. The seized precursors were said to be just part of a much larger delivery to drug traffickers in Afghanistan. Russian authorities believed that the AA was to be shipped by truck to Afghanistan, by way of Tajikistan and disguised as a solvent used in plastic production, as well as mosquito repellent.

Cocaine abuse is not widespread, but is increasing. Disposable incomes in Russia have risen steadily over the past few years, while cocaine prices have remained static, making the drug more affordable to a growing number of potential users. Cocaine is easily obtained in Moscow and St. Petersburg. Cocaine is frequently brought into Russia through the ports of St. Petersburg, and to a lesser extent Novorossiysk. Sailors aboard fruit carriers and other vessels operating between Russia and Latin America provide a convenient pool of potential couriers. In an example of effective international law enforcement cooperation, the U.S. Drug Enforcement Administration (DEA) and Russian law enforcement agencies conducted operations which resulted in several significant seizures, totaling more than 124 kg of cocaine and \$127,200 in U.S. currency during the first nine months of 2007. Each of these seizures involved Latvian, Ukrainian and Russian crewmembers aboard banana vessels smuggling multi-kilogram cocaine shipments from South America to St.

Petersburg. Another less common smuggling method involves couriers traveling on commercial flights bringing cocaine into Russia, often through third countries in Europe, as well as the U.S.

FSKN officials have also pointed to the use of the Internet to sell illegal drugs. According to the FSKN, Russia is home to hundreds of websites which market illegal drugs both in Russia and abroad. The FSKN has reported that it is attempting to develop technology to interrupt web-based drug trafficking.

Russia now has a legislative and financial monitoring structure that facilitates the tracking, seizure, and forfeiture of all criminal proceeds. Russian legislation provides for investigative techniques such as wiretapping, search, seizure and the compulsory production of documents. Legislation passed in 2004, entitled “On Protection of Victims, Witnesses and Other Participants in Criminal Proceedings” extends legal protection to all parties involved in a criminal trial. Prosecutors or investigators may recommend that a judge implement witness protection measures if they learn of a threat to the life or property of a participant in a trial. Steps taken to protect a program participant could include personal and property protection, change of appearance, change of identity, relocation, and transfer to a new job. The GOR has issued implementing regulations and provided money from the federal budget for implementation of the legislation. The Presidential Administration has submitted cooperating witness legislation to the Duma, where it is expected to win passage.

In 2006, asset forfeiture laws were reinstated to Russian legislation, enabling the courts to seize the property of a convicted drug trafficker if it is demonstrated that the property was purchased with drug proceeds.

Corruption. Evidence indicates the scope and scale of official corruption in Russia have grown markedly in the past several years. There were no reported cases of high-level narcotics-related corruption. In May 2006, five FSKN officers were accused of extortion and detained in Moscow. The case remains under investigation. Over the period October 2006 to October 2007, criminal proceedings were initiated against 16 FSKN officers. This included the general in charge of the FSKN’s Department of Operative Support, who was charged with abuse of power and illegal wiretapping for profit. There is no indication that these charges were drug-related.

As a matter of government policy, however, the GOR does not encourage or facilitate illicit production or distribution of narcotic or psychotropic drugs or other controlled substances, or the laundering of proceeds from illegal drug transactions. No GOR senior officials were known to engage in, encourage, or facilitate the illicit production or distribution of such drugs or substances, or the laundering of proceeds from illegal drug transactions.

Agreements and Treaties. Russia is party to the 1988 UN Drug Convention, the 1961 Single Convention as amended by its 1972 Protocol, and the 1971 UN Convention on Psychotropic Substances. The U.S.-Russia Mutual Legal Assistance Treaty (MLAT), entered into force on January 31, 2002. Russia is a party to the UN Corruption Convention and the UN Convention against Transnational Organized Crime and its protocols against trafficking in persons and migrant smuggling.

The GOR has signed over 30 bilateral agreements on counternarcotics cooperation including a Memorandum of Understanding with the U.S. Drug Enforcement Administration to enhance bilateral cooperation to combat illegal drugs and their precursor chemicals. In October 2007, the Russian FSKN and the European Union’s Monitoring Centre on Drugs and Drug Addiction signed a Memorandum of Understanding to promote the exchange of information and technical expertise on the use of illegal drugs.

Cultivation/Production. There are no official statistics on the extent of opium cultivation in Russia, and the USG has no evidence to suggest that more than 1,000 hectares of opium are

cultivated. There are small, illicit opium poppy fields ranging in size from one to two hectares in Siberia, in the Central Asian border region, and in the Omsk-Novosibirsk-Tomsk area. Typically the opium fields are small backyard plots or are located in the countryside concealed by other crops. Cannabis grows wild throughout Russia and is also cultivated in quantities ranging from a few plants to plots of several hectares. Every year, Russian authorities carry out the “Operation Poppy” eradication effort, aimed at illicit cannabis and poppy cultivation. Primary cannabis cultivation areas are Primorye, Altay, as well as Amur Oblast and the Republic of Tuva. In 2007, FSKN officials reported stepped-up efforts to eradicate cannabis being grown on national park land around Sochi, the site of the 2014 Olympic Winter Games.

Drug Flow/Transit. Opiates (and hashish to a lesser degree) from Afghanistan are smuggled into Russia through the Central Asian states along the “Northern Route.” The FSKN estimates that 60 MT of heroin (are smuggled into Russia annually from Afghanistan. Contraband is typically carried in vehicles along the region’s highway system that connects populated areas of southwestern Russia and western Siberia. Smuggling vehicles often utilize cover loads such as onions, cabbage, watermelons and honey. Couriers sometimes use the region’s passenger trains and incidents involving internal body carriers or “swallowers” are also common.

To disrupt this trafficking, each year since 2003, law enforcement agencies of the member states of the Collective Security Treaty Organization-CSTO (Armenia, Belarus, Kazakhstan, Kyrgyzstan, Russia, and Tajikistan) have participated in “Operation Canal.” Operation Canal’s operations are bi-annual, weeklong interdiction blitzes during which extra personnel are stationed at critical junctures on the Russian border and in Central Asia to conduct increased searches of suspected drug smugglers and inspections of their vehicles for drugs, drug proceeds and precursor chemicals. In 2007, Operation Canal blitzes took place from August 28 to September 3 and again from November 26 to December 3. The 2007 operations included observers from Azerbaijan, China, Latvia, Lithuania, Mongolia, Poland, the U.S. Drug Enforcement Administration (DEA), Uzbekistan, Ukraine, Finland, Estonia, as well as officers from FSFM and INTERPOL. As a result of these two week-long operations, the Russian FSKN reported that law enforcement agencies from the CSTO seized 890 kilograms of heroin, 1,348 kilograms of hashish, 35 kilograms of synthetic drugs, 1,366 weapons, 26,105 rounds of ammunition, and precursor chemicals. Russia and the other member nations of the Shanghai Cooperation Organization (SCO) have also attempted to use the SCO as a vehicle to combat narcotics trafficking in Afghanistan and Central Asia.

An example of the volume of opiates being smuggled into Russia was the May 2007 seizure of 436 kilograms of heroin in Moscow. This very significant seizure was one of the largest in recent years and followed other large seizures in Moscow, including a July 2006 seizure of 242 kg of heroin, an October 2006 seizure of 158 kg of heroin, and two seizures in August 2005 of 165 kg of heroin and 156 kg of heroin, respectively.

The Russian cities of Yekaterinburg, Samara, Omsk, and Novorossisk have also emerged as hubs of trafficking activity. A 362 kilogram heroin seizure was recorded in Orenburg in 2005.

The seizure of 20 tons of poppy straw in St. Petersburg in October 2007, which took place aboard a vessel that originated in The Netherlands, also demonstrated the importance of St. Petersburg as a major smuggling gateway not just for cocaine shipments, but for all types of drugs.

Synthetic drugs manufactured in Russia and elsewhere in Europe (The Netherlands and Poland) flow in both directions across Russia’s western borders. Again, much of this smuggling activity appears to be concentrated in the northwest area around St. Petersburg.

FSKN officials continue to allege a significant increase in drug trafficking into Russia following the withdrawal of Russian border guards from the Afghan/Tajik border in 2005. Russian forces had

been stationed in Tajikistan after the dissolution of the Soviet Union, but departed after the expiration of the agreement governing their presence.

Domestic Programs/Demand Reduction. Russian authorities are attempting to implement a comprehensive counternarcotics strategy that combines prevention, treatment, and law enforcement. A federal program, was launched in September 2005, aimed at reducing by 2010, the scale of drug abuse in Russia by 16-20 percent compared to the 2004 level, a reduction of the drug user population by 950-1,200 persons. FSKN is tasked with demand reduction among its other responsibilities and has recently begun a large-scale public awareness campaign. With support from the USAID “Healthy Russia 2020” project and the U.S. Department of State, Bureau for International Narcotics and Law Enforcement Affairs (INL), demand reduction messages are being incorporated into a Ministry of Education-sanctioned health education curriculum for high school students and training materials for teachers.

Healthy Russia also established a peer-to-peer outreach program that targets youth approximately 15 to 18 years of age through vocational schools, youth clubs, NGO activities, summer camps and other special programs set up by regional governments to reach teenagers at greatest risk. These programs have been tested in Orenburg (one of the top ten regions most affected by HIV/AIDS in Russia) and Ivanovo (the eighth poorest oblast in Russia) and have been expanded to Irkutsk and Sakhalin, two oblasts on the key drug trafficking routes. The peer-to-peer program encourages youth to discuss the impact of substance abuse and introduces life skills to avoid drug use. In 2006, the FSKN and National Health League launched a preventive program, called Health Wave—Take Care of Yourself, aimed at children’s health and prevention of drug addiction in four cities (Samara, Saratov, Volgograd, and Astrakhan).

According to the FSKN, in February 2007, there were 400,000 officially registered drug addicts in Russia’s treatment centers. However, a Human Rights Watch study (November 2007) concluded that the effectiveness of treatment offered at state drug treatment clinics “is so low as to be negligible” and constitutes a “violation of the right to health.” New models of cognitive therapy are being implemented in treatment centers in St. Petersburg, but substitution therapy (such as programs using methadone or buprenorphine) has not been fully explored, and remains illegal and politically sensitive. The U.S. National Institutes of Health has begun work with Russian research facilities in St. Petersburg to explore alternative drug treatment regimens acceptable to the GOR. A sign of progress is that the MOH has requested a special report on medication-assisted drug therapy. In 2007, the USAID partner, Trans Atlantic Partners Against AIDs, financed a study tour to China for a small group of leading Russian politicians, activists, governmental officials, and narcotics experts to observe the Medication Assisted Therapy (MAT) program for treating HIV-positive clients who are also chronic substance abusers, particularly injection drug users.

IV. U.S. Policy Initiatives and Programs

Policy Objectives. The principal U.S. counternarcotics programmatic goal in Russia is to help strengthen Russia’s law enforcement capacity, both to meet the challenges of international drug trafficking into and across Russia, and to help improve cooperation of Russian law enforcement authorities with U.S. law enforcement agencies. The U.S. also promotes programs to reduce demand for narcotics and advocates for more effective treatment programs for drug users.

Bilateral Accomplishments. In 2002, the U.S. through the Bureau for International Narcotics and Law Enforcement Affairs (INL) negotiated a Letter of Agreement (LOA) with the GOR allowing direct assistance to the GOR in the area of counternarcotics and law enforcement assistance. Three on-going projects include the “Southern Border Project,” an effort that will eventually lead to the establishment of drug interdiction units along the Russian-Kazakh border in the Siberian cities of Orenburg, Chelyabinsk, Omsk, Saratov and Kurgan; the “Northwest Customs Project,” which

provides technical assistance to the Federal Customs Service in St. Petersburg and Kaliningrad; and the “Southern Seaports Project,” which includes technical assistance to the Federal Customs Service at the Caspian and Black Sea seaports of Astrakhan, Novorossysk and Sochi. As part of the NATO-Russia Council’s counternarcotics project, DEA and Russian trainers will conduct six training courses for Afghan and Central Asian counterparts at the Domodedovo training centre of the Ministry of the Interior in Moscow. These training courses will assist the Afghan and Central Asian police entities to combat major heroin organizations. The U.S. is also providing technical assistance in support of institutional change in the areas of criminal justice reform, mutual legal assistance, anticorruption, and money laundering.

The Road Ahead. The GOR places high priority on counternarcotics efforts and has indicated a desire to deepen and strengthen its cooperation with the United States and other countries. The USG will continue to encourage and assist Russia to implement its comprehensive, long-term national strategy against drug trafficking and use with multidisciplinary sustainable assistance projects that combine equipment and technical assistance.

Serbia (includes Kosovo)

(The report on Kosovo is appended at the end of this report.)

I. Summary

The Republic of Serbia is a major transit country for narcotics and other drugs along the Balkan smuggling corridor from Turkey to Central and Western Europe. In 2007, Serbia took measures to improve its capacity to combat drug trafficking through new legislation and law enforcement initiatives that tightened enforcement against narcotics, corruption, and organized crime, and included legislation authorizing asset seizure. Serbia's drug laws are adequate, but the judicial system is weak and implementation is problematic. While Serbia realized record-setting successes with drug interdiction and seizures, nonetheless, organized crime groups still exploited Serbia's inadequate border controls and law enforcement to move heroin, cocaine, marijuana, and synthetic drugs. A small amount of smuggled narcotics remains in Serbia for domestic consumption. As Yugoslavia's successor state, the Republic of Serbia is a party to the 1988 UN Drug Convention.

II. Status of Country

Serbia is a transit country for the movement of narcotics. The ability of organized crime groups to exploit the porous borders and weak judicial structures also threatens public safety and the integrity of public institutions. The Ministry of Interior's (MUP) Drug Smuggling Suppression Department notes that Serbia's southwestern Sandzak region, located between Montenegro and Kosovo and on the heroin smuggling route connecting Afghanistan to Western Europe, is the key area in the country for narcotics trafficking. The Sandzak, nicknamed Europe's "heroin stash" by narcotics experts, continues to be a storage site for large quantities of narcotics. According to the MUP, drug smugglers frequently use Serbia's highways, especially Corridor 10, which runs southeast to north from Bulgaria and Macedonia to Croatia and Hungary. The Serbian government estimates that relatively small amounts of narcotics remain in the country for domestic consumption. Heroin is by far the most prevalent narcotic, although this year the MUP has seen an increase in trafficking of cocaine, from Albania, Montenegro, and as far away as South Africa.

III. Country Actions against Drugs in 2007

Policy Initiatives. In November 2007, Serbia's State Prosecutor announced the creation of a special team to draft a law on asset seizure to increase law enforcement authorities' ability to combat narcotics smuggling, organized crime, and corruption. Articles 246 and 247 of the General Crime law regulate penalties for drug crimes, including production, trafficking, and usage of narcotics. A newly implemented law on chemical substance and production for synthetic drugs, based on European standards, requires the Ministry of Health to monitor precursor chemicals used by companies operating in Serbia. The law allows the MUP to investigate possible misuse of precursor chemicals by companies or individuals. Serbia hosts counternarcotics liaison officers from Bulgaria, Romania, Croatia, Italy, and other countries; a program the MUP credits for improving regional counternarcotics coordination.

Law Enforcement Efforts. The MUP's Drugs Smuggling Suppression Department is Serbia's key coordination body for combating drug-related crime. The Department is responsible for coordinating cooperation and information exchanges with 33 police precincts located throughout Serbia, as well as with the Customs Administration, the Ministry of Justice, and Interpol. The Drug Smuggling Department is currently developing a database for crimes, arrests, and seizures related to heroin, cocaine, marijuana, synthetic drugs, and chemical precursors. Officers in the MUP

participate in workshops organized by the OSCE, the Southeast Europe Cooperative Initiative's (SECI) Center for Combating Trans-border Crime, and other international organizations.

Serbia interdicted a record amount of narcotics in 2007. In October, in a single seizure, the Serbian Customs Administration seized approximately 163 kg of heroin at a Serbia-Bulgaria border crossing. The drugs were found in a false compartment of a truck, likely originating in Afghanistan, bearing Turkish plates, with a Turkish driver. The vehicle was hauling a cargo of furniture and appliances under diplomatic cover, with destinations of Austria, France, and Netherlands. Members of Serbia's border crossing team had received training and equipment from the U.S. Export and Related Border Security (EXBS) program, which in this case clearly contributed to their success in making this narcotics seizure.

Serbia's MUP and Customs Administration both keep data on total seizures. The MUP reports that from January to November of 2007 Serbian law enforcement made 3,795 drug seizures, including 11 kg of cocaine, 377 kg of heroin, and 700 kg of marijuana. These data do not include seizures from municipal police, but do include the Customs Administration's reports of seizures at the border. Serbia's Customs Administration reports that, in the first 11 months of 2007, its border officials intercepted 42.2 kg of opium, 203 kg of heroin, 2.5 kg of cocaine, 136 kg of marijuana, and 57,460 tablets of anabolic steroids at Serbian border crossings.

Sentencing for drug law violations is generally weak. According to a Justice Ministry report, of the 8,658 persons convicted for violations of Article 246 of the Penal Code in 2007 (related to production, storage, and sale of narcotics) 6,141 (71 percent) received suspended sentences. During the same period, 2,397 arrests (28 percent) resulted in prison sentences. In the Belgrade District Court, 98 percent of drug arrests led to prison sentences. The low conviction/jail-time rate outside Belgrade, in part, results from the large number of underage offenders, many of whom claim the drugs in their possession were for personal use. There are no specific drug-crime sentencing guidelines, and courts render judgments on a case-by-case basis. Major narcotics dealers rarely appear in court in Serbia. This is primarily because enforcement agencies are only beginning to grasp the "enterprise theory" to their criminal investigations. The result is that investigations are often truncated, focusing on the "low-lying fruit": users, street dealers and border seizures instead of following the financial proceeds back to the major dealers. This is slowly changing and is best evidenced in Serbia's increasingly more comprehensive (albeit non-drug-related) organized crime cases.

Corruption. Corruption within Serbia's law enforcement agencies responsible for counternarcotics remains a serious problem. According to a June 2007 report by a Norwegian research institute (Chr. Michelsen Institute's "Serbia 2007: Overview of Problems and Status of Reforms"), corruption in Serbia's legal system including police, prosecutors and courts, "distort(s) the enforcement of the law and by implication undermine(s) trust in the law and justice system itself." The report also notes that law enforcement officials "are subject to systematic incentives to engage in corrupt behavior... [and] police officers are often poorly compensated, their actions are difficult to monitor, and police organizational culture often tends to protect corrupt officers." An official at the Customs Administration said poor pay for its border inspectors aggravates this problem.

No evidence exists that the Serbian government encourages illicit production or distribution of narcotics, or launders proceeds from illegal drug transactions.

Agreements and Treaties. Serbia became the legal successor state to the State Union of Serbia and Montenegro on June 3, 2006. All international treaties and agreements continue in force, including the 1988 UN Drug Convention, the 1961 UN Single Convention as amended by the 1972 Protocol, the 1971 UN Convention on Psychotropic Substances, and the UN Convention against Transnational Organized Crime, and its protocols against trafficking in persons and migrant smuggling. The 1902 extradition treaty between the United States and the Kingdom of Serbia

remains in force between the U.S. and Serbia. Serbia is also a party to the UN Convention against Corruption.

Drug Flow/Transit. Serbia sits directly on the Balkan narcotics trafficking route. It is estimated that a high percentage of the world's heroin travels along this route. Heroin grown and processed in Afghanistan is smuggled through Turkey and Bulgaria into Serbia, and onward into Western Europe. Small amounts of heroin stay in the country, but Serbia primarily serves as a transit point. Cocaine from South America is smuggled into Serbia via Spain, Italy, and Greece, while synthetic drugs such as Ecstasy typically originate in the Netherlands and are can be used in exchanges for other narcotics, including heroin.

Domestic Programs (Demand Reduction). Experts from the Belgrade Institute on Drug Abuse have estimated that there are approximately 60,000-80,000 drug users in Serbia. A task force composed of the Ministries of Health, Education and Sport, Interior, and Justice is developing a National Strategy for the Fight against Drugs. Serbia is currently piloting a demand reduction program in prisons that offers privileges to inmates in exchange for abstinence from drugs. A failed drug test results in expulsion from the program.

IV. U.S. Policy Initiatives and Programs

Bilateral and Multilateral Cooperation. The Serbian Government works closely with the U.S. and EU countries to reform and improve its law enforcement and judicial capacity. The U.S. has provided extensive technical assistance and equipment donations to the police, customs services, and judiciary. Several USG agencies have programs that directly or indirectly support counter narcotics activities in Serbia, including the Department of Justice (ICITAP), Department of Homeland Security, Department of Defense, Department of the Treasury, and Department of State. The Departments of State and Justice have also been instrumental in supporting the new Organized Crime Court and the new Special Court for Organized Crime and War Crimes. The programs are aimed at professionalizing the police and customs services, improving the ability of Serbia to prosecute corruption and organized crime, including money laundering and illicit trafficking, and increasing the ability of the judiciary to effectively address serious crime. The Serbian Customs Administration praised the U.S.-sponsored International Railroad Interdiction Training (IRIT) that its officers received in El Paso, Texas.

The Road Ahead. The United States will continue to support the efforts of Serbian law enforcement to combat narcotics smuggling in the region. During the next year the United States will press for additional progress in Serbian justice sector reform, including tougher sentences for major narcotics dealers and coordinated efforts to combat organized crime. Serbia needs to improve its demand reduction programs. To stem the flow of narcotics through the Western Balkans, the United States will continue to assist Serbia in improving the skill set and professionalism of its law enforcement agencies. Training the USG has provided to date has paid off: In the past year, Serbian law enforcement cocaine seizures increased nearly 70 percent—from 6.5 to 11kg, and heroin interdictions hit record levels.

Kosovo

I. Summary

Kosovo is primarily a transit point for heroin originating in Turkey and Afghanistan and destined for Western European countries, and it also has a small and reportedly growing domestic narcotics market. Kosovo faces serious challenges in its battle against narcotics trafficking. Its borders are porous, there is reported corruption among its Border Police and Customs officers, and its unique

status under UNSCR 1244 as a United Nations-administered territory prevents it from entering into most bilateral, multilateral and international agreements, including the 1988 UN Drugs Convention. Kosovo's final status is currently under negotiation, and the United States and the European Union intend to continue providing rule of law technical assistance, training and equipment donations, which will help Kosovo to more effectively combat narcotics trafficking.

II. Status of Narcotics Situation in Kosovo

Kosovo is a transit point for Afghan heroin moving to Western Europe by way of Turkey. Narcotics traffickers capitalize on weak border control in Kosovo. The Kosovo Border Police is a young service, lacks basic equipment, and only has a mandate to patrol the "Green Border" (area where there are no official, manned borders or administrative boundary line gates) from two to three kilometers beyond the actual border and administrative boundary lines. NATO's Kosovo Force (KFOR) has roving teams that patrol the green border up to the actual border and administrative boundary lines, but traffickers easily take advantage of numerous passable roads leading into Kosovo that lack border or administrative boundary line gates. Moreover, narcotics interdiction is not part of KFOR's mandate; they seize narcotics they happen to encounter while performing their duties, but they do not actively investigate narcotics trafficking. Kosovo Border Police and Customs agents are susceptible to corruption. Kosovo officials are attempting to tackle the problem, but United Nations Mission in Kosovo (UNMIK) officials believe some officers allow narcotics shipments to pass through the border and administrative boundary gates.

Kosovo is not a significant narcotics producer, but Kosovo police have found cases of small-scale marijuana cultivation, mostly in the form of plants mixed in with corn crops or cultivated in back yards. They have also found some uncultivated marijuana plants growing in rural areas. There have been reports of seizures of large quantities of precursor chemicals in Kosovo. However, Provisional Institutions of Self-Government (PISG) and UNMIK officials have found no direct evidence of narcotics refining laboratories.

Information on domestic narcotics consumption is not systematically gathered, but PISG and UNMIK officials agree that there is a growing local market and that illegal drug use is on the rise. The Ministry of Health believes levels of narcotics consumption among teenagers and university-aged young adults, the primary users, are comparable to those in most Western European countries. Drugs of all types, including heroin, are reportedly available in Kosovo. Cocaine abuse cases increased in 2007, but the vast majority of addicts referred for treatment were heroin users.

III. Kosovo Actions Against Drugs in 2007

Policy Initiatives. The Government of Kosovo is just beginning to address the narcotics problem, and there is no national counternarcotics strategy. The Kosovo Police Service (KPS) and Ministry of Health, however, reported that they are advocating for creation of an inter-ministerial committee or working group, coordinated through the Office of the Prime Minister or Deputy Prime Minister, to draft such a plan. As of October 2007, no inter-ministerial body had been created to address narcotics.

With an eye toward eventual EU accession, Kosovo sent a representative from the Ministry of Health to an EU conference on "Tackling the Drug Problem in the Western Balkans" in September 2006, and determined a number of priorities for action based on the EU Drugs Strategy 2005-2012. The priorities included evaluation of the current situation, definition of a counternarcotics strategy and action plan and creation of implementation structures such as inter-ministerial working groups. Because of the Kosovo budget cycle and the fact that the priorities were identified late in 2006, officials were unable to formally address them in 2007. Individual ministries, however, pressed forward with counternarcotics initiatives in accordance with EU goals. The Ministry of Health

reported that it included in its strategic plan and budget request for 2008-2013 goals of accurately assessing the extent of the drug problem in Kosovo, developing a national strategy for preventing drug use among adolescents and youths, creating regular mechanisms for monitoring drug use levels among adolescents and youths, and increasing services to drug addicts. Similarly, the Ministry of Interior Affairs reported that it is working to increase Kosovo's narcotics investigation capacity and help it meet European Partnership Agreement Program (EPP) goals by training counternarcotics officials, procuring technical equipment and strengthening inter-agency cooperation.

Law Enforcement Efforts. The counternarcotics competency was transitioned from UNMIK to KPS in May 2006, and narcotics-related arrests have reportedly increased since the KPS took control. From January to August 2007, the KPS arrested 612 people on narcotics charges and filed 221 narcotics-related cases. According to KPS statistics 96 percent of offenders were male. In the same period, they confiscated 15.3 kg of heroin, 2.2 kg of cocaine, 21.7 kg of marijuana, 61 grams of Ecstasy, and 4 kg of other narcotic substances. Prior year UNMIK police statistics were roughly similar as to drugs and magnitudes. From January through mid-October, they reported 251 narcotics-related cases; 94 percent of those arrested were male. They also reported the seizure of 11.7 kg of heroin, 22.9 kg of marijuana, 1.9 kg of cocaine and 61 hits of Ecstasy.

KPS counternarcotics officers face many challenges. They lack basic equipment and resources, and undercover operations are complicated by technical issues. The Serb-controlled Mobtel mobile telephones and land lines are beyond their reach. Kosovo's small size also hampers undercover work because communities are tight-knit and everyone knows who is working on counternarcotics. The KPS also noted a decline in effectiveness after it decentralized the counternarcotics division in 2005. They had hoped to return to a centralized system in 2007, but still remained decentralized as of October 2007. The KPS Department of Organized Crime's director reported that coordination between the headquarters and regions improved in 2007 and that decentralization is less of a problem today.

Illicit Cultivation. Kosovo is not a significant narcotics producer, but the KPS has found some evidence of small-scale marijuana cultivation. According to UNMIK Police statistics, there were 32 cases of marijuana cultivation from January through mid-October, totaling 21,075 plants. Most cases involved marijuana planted together with corn in rural areas, but there were some cases of plants cultivated in gardens. There have been a few reports of seizures of large quantities of precursor chemicals in Kosovo, but PISG and UNMIK officials have found no direct evidence of narcotics refining labs.

Corruption. There have been no arrests for high-level narcotics-related corruption in Kosovo. There are reports of corruption among Border Police and Customs officers, but the KPS and UNMIK Customs Service say they are attempting to address it. Cases reportedly tend to involve officers turning a blind eye to narcotics trafficking or accepting bribes to allow narcotics to get through border or administrative boundary line gates. KPS officials see the potential for problems due to the officers' low salaries and lack of benefits, and they believe corruption exists in the regional counternarcotics offices. As a matter of government policy, however, Kosovo does not encourage or facilitate illicit production or distribution of narcotic or psychotropic drugs or other controlled substances, or the proceeds from illegal drug transactions.

Agreements and Treaties. Due to its unique status as a UN-administered entity Kosovo is not a party to the 1988 UN Drug Convention or any other international conventions or protocols. The United Nation Administration in Kosovo concluded that it could neither bind Kosovo to any new agreement nor apply the treaties and agreements to which Serbia was a party. If the international legal status of Kosovo changes such change may allow Kosovo to enter into binding international

agreements. Kosovo's existing constitutional framework calls on it to respect the principles of UN conventions.

Kosovo is unable to enter into most binding bilateral or multilateral agreements, but it participated in a UN Office on Drugs and Crime (UNODC) meeting in Vienna as an observer in 2007, and it cooperates and exchanges information with countries in the region through informal bilateral and multilateral meetings. For example, KPS counternarcotics officials met with their Albanian counterparts in March and their Macedonian counterparts in August, and they plan to meet with Montenegrin counternarcotics officials as soon as practicable.

Drug Flow/Transit. Kosovo is a transit point for heroin from Afghanistan, most of which is destined for Western European countries, including Switzerland, Germany, the United Kingdom, Italy, Norway and Sweden. Kosovars regularly travel to these countries to visit relatives living in them, and UNMIK and KPS officials believe much of the drug trade is managed through family/clan networks. Most drugs illegally enter Kosovo overland from neighboring countries. Officials believe one major route is from Turkey, through Bulgaria and Macedonia, and another is also from Turkey, but through Bulgaria and Serbia. There are reports of collaborative arrangements between Kosovo Serb and Kosovo Albanian criminal groups for drug trafficking, and UNMIK Police believes there is a connection between drug trafficking and human trafficking. Anecdotal evidence suggests the drugs are broken down into smaller quantities in Kosovo before heading to Western Europe. UNMIK officials report a lot of small movements of narcotics, such as two to five kg on one person or 10 to 20 kg in a bag on a bus. The major transit points are Gjilan, Prizren and Mitrovica. As of October, the highest number of seizures was in Pristina (58) and the lowest number was in Ferizaj (17).

Domestic Programs. Kosovo lacks an overall policy for dealing with existing and potential narcotics-related problems, but the PISG is increasingly aware of the dangers of narcotics. The Ministries of Health and Education run some domestic prevention programs, and community police officers visit schools throughout Kosovo to educate students about the risks associated with drug use. Non-governmental organizations assist with some of these efforts.

There are no reliable estimates for the number of drug addicts in Kosovo. Drug treatment is provided by the Pristina University Hospital Psychiatry Department, but only one doctor and one nurse are devoted to treating drug addicts. They offer detoxification programs for motivated patients, but they report disappointing results due to the fact that many of the addicts are poor and unemployed so recidivism is high at the end of the program. There are no other structured drug treatment programs. Methadone is not prescribed because the law does not authorize its use. Some addicts receive anti-anxiety medication or anti-depressants to relieve withdrawal symptoms, while the most severe, agitated patients receive anti-psychotics. The Pristina University Hospital Psychiatry Department says that, on average, three to four people are in in-patient treatment at any given time, and the overwhelming majority of them are heroin addicts. The number of addicts receiving out-patient treatment is reportedly much higher, but the hospital declines to give a figure. Other regional medical centers' psychiatry wards reportedly do what they can to assist drug addicts, but they do not devote staff to their treatment.

The Pristina University Hospital Psychiatry Department notes that the number of patients is increasing and it sees an urgent need for a genuine drug treatment program, which has more and better trained staff, offers individual and group therapy, and is separate from the psychiatric ward. It also wants to expand its services to include a "maintenance program" based on a Swiss model. It would medically administer narcotics to addicts who do not want to undergo a detoxification program in order to reduce the legal and social costs to the state that come from the addict committing crimes to finance his or her habit. In October, the Pristina University Hospital Psychiatry Department presented a strategic plan for 2008 to 2013, including these goals, to the

Ministry of Health; it is pending approval. Hospital officials consider construction of a separate drug treatment facility a priority because they believe only the most severe cases ever reach them due to a dual stigma of patients being labeled drug addicts and erroneously viewed as mentally ill after seeking treatment in the psychiatric ward.

IV. U.S. Policy Initiatives and Programs

Bilateral Cooperation. Kosovo cooperates with the United States on counternarcotics issues to the extent possible, but Kosovo's unique political status hampers bilateral cooperation. Kosovo cannot legally enter into most bilateral, multilateral or international agreements, including extradition treaties, until its final status is resolved.

In 2007, the U.S. Department of Justice conducted extensive training for prosecutors in the new Kosovo Special Prosecutors Office (KSPO), which handles narcotics trafficking and other sensitive crimes. Projects included translating a U.S. Drug Enforcement Administration (DEA) recognition manual on drugs and drug precursors and bringing an American drug task force prosecutor to Pristina to give the KSPO and KPS a two-hour presentation on narcotics prosecutions and informant handling. In past years, the United States Government has also provided technical assistance and equipment donations that directly or indirectly support counternarcotics work in Kosovo. The United States Government also funds and contributes the largest contingent of police officers (over 200) in the UN Mission in Kosovo, including monitors and mentors of KPS officers working on counternarcotics efforts.

The Road Ahead. Kosovo's final status is currently under negotiation, and the United States will continue to provide rule of law assistance to Kosovo for the foreseeable future. The EU is planning a rule of law mission under the auspices of the European Security and Defense Policy (ESDP). The U.S. is coordinating its rule of law assistance goals and priorities for Kosovo with the EU, and will continue to provide training, technical assistance and equipment, which directly or indirectly supports counternarcotics work, to the KPS and Kosovo's criminal justice sector. The U.S. will also continue to contribute police officers to the civilian police mission in Kosovo, including some with special counternarcotics skills.

Slovakia

I. Summary

Slovakia lies near the western end of the historic Balkan drug transit route, which runs from southwest Asia to Turkey and on to other western European countries. Slovak Police reported no significant changes in the field of narcotics control or use in 2007. All forms of narcotics remain available in Slovakia and interest in synthetic drugs, particularly in pervitin, an Eastern European slang name for locally made methamphetamine, continues to rise. Slovakia is a party to the 1988 UN Drug Convention.

II. Status of Country

Interest in synthetic drugs, especially pervitin and Ecstasy, has driven an increase in local illicit drug processing and production, as well as in the trade of precursors including ephedrine and pharmaceuticals from which ephedrine can be extracted. Slovak police attribute the rising interest in synthetic drugs to their low price, accessibility and the greater effect they provide in comparison to more traditional stimulants such as cocaine. Cannabis is the most commonly abused narcotic in Slovakia. Local cannabis production is on the increase, especially hydroponically grown cannabis with sharply increased THC content. Police believe consumer interest in hydroponically grown cannabis, attributable to increasing experience with higher-THC varieties imported from Western Europe, has driven growth in this sector. Marijuana cultivation in Slovakia remains predominantly the preserve of local criminals who serve the local market. Officials believe the market for heroin and cocaine is saturated, and prices for these drugs are decreasing. Heroin is mostly imported from Balkan countries by organized groups of ethnic-Albanian criminals, working in concert with ethnic-Turkish groups that transport the narcotics from the place of production. The same ethnic-Albanian groups largely control the trade in cocaine, which is of South American origin. Police suspect increasing imports of cocaine which transits Africa on its way to Europe are reaching the Slovak market. For all drugs, regional differentiation in consumption continues to diminish. Narcotics use is spread over the whole territory of the Slovak Republic.

III. Country Actions Against Drugs During 2007

Policy Initiatives. In 2005, the “National Program for the Fight against Drugs 2004-2008” was developed into action plans for specific ministries and regional authorities in accordance with the “Action Plan of the EU for the Fight Against Drugs.” At the same time, the Slovak Republic Government Office issued an instruction setting out the activities of regional authorities in the field of narcotics, and unifying procedures for establishing regional coordination commissions for narcotics issues. A new Penal Code and Code on Criminal Procedure became effective on January 1, 2006. The most important change contained in the new Penal Code concerns criminal liability for the possession of drugs for personal consumption. Specifically, Sections 171 and 135 of the new Penal Code set out maximum sentences of three years incarceration for possession of up to three doses of any narcotic substance, and up to five years for possession of 4-10 doses. Possession of more than 10 doses is considered possession for other than personal consumption and is punishable by 10-15 years imprisonment.

Law Enforcement Efforts. The National Anti-Narcotics Unit of the Police Presidium employs 30 people to cover the Bratislava (capital) region. Responsibility for anti-narcotics programs outside the capital belongs to the Office for the Fight Against Organized Crime, which includes three distinct offices for Western, Central and Eastern Slovakia. The National Anti-Narcotics Unit includes three sections: the Street-sales Section, the Section for Major Cases (including all trans-

national cases) and the Joint Police-Customs Section. In 2006, 1,952 drug-related criminal cases were brought to court in Slovakia, an increase of almost 20 percent over 2005. In 2006, the Police seized: 2.4kg of heroin, 81.63 kg of marijuana (herb), 614.48 kg of marijuana (wet), 961.83 grams of cocaine, and 8,477 tablets of pervitin.

Corruption. As Slovakia has received more investments from abroad and the post-Socialist rule of law has matured, incidences of corruption have fallen. Nevertheless, corruption remains a concern in both the public and private spheres. As a matter of policy and by all accounts in practice, the Government of Slovakia does not encourage or facilitate illicit production or distribution of narcotic or psychotropic drugs or other controlled substances, or the laundering of proceeds from illegal drug transactions.

Agreements and Treaties. Slovakia is a party to the 1988 UN Drug Convention, the 1961 UN Single Convention on Narcotic Drugs, as amended by the 1972 Protocol, and the 1971 UN Convention on Psychotropic Substances. Slovakia is also a party to the UN Convention against Transnational Organized Crime and its three protocols and the UN Convention against Corruption. A 1925 Extradition Treaty, as supplemented in 1935, remains in force between Slovakia and the United States. The U.S. and Slovak representatives signed supplements to the EU-U.S. Extradition Treaty in 2006.

Cultivation/Production. Marijuana is the most commonly cultivated illicit drug in Slovakia due to strong demand and a suitable climate. Hydroponic (laboratory) cultivation of marijuana has become more popular recently in response to consumer demand for a product with a higher THC content. The majority of marijuana is grown in family homes or rented agricultural buildings. The continuing increase in marijuana use is attributed to ease of access, low prices, and the persistent belief that it is not a harmful narcotic. The number of small semi-portable drug laboratories used to produce pervitin and other synthetic drugs continues to rise. Police believe that Slovakia's domestic market for synthetic drugs is served exclusively by domestic production, which benefits from low costs of inputs and relative ease of production. The greatest challenge in pervitin production is acquiring the precursor ephedrine. Police have discovered cooperative arrangements among organized groups of criminals that import pervitin precursors when supplies are scarce and re-export ephedrine, synthesized from medicines from Slovakia when supplies are readily available.

Drug Flow/Transit. Foreign criminal groups with local contacts, especially ethnic-Albanian and Turkish groups, are thought to be responsible for most transshipments. Drugs, including heroin from Central Asia, cocaine from South America and hashish from Morocco pass through Slovakia on the final leg of the so-called Balkan drug transit route. Ethnic Albanian groups dominate the heroin trade, though ethnic Roma groups are thought to share in street-level sales. Due to the high price of imported drugs, it is believed that only relatively small quantities of transit drugs remain in Slovakia for domestic consumption. In 2005, sales of heroin to Slovak consumers stagnated. This is thought to be a consequence of cheaper and more readily available synthetic drugs from local suppliers.

Domestic Programs (Demand Reduction). The National Program for the Fight against Drugs (NPFDD) 2004-2008 is primarily directed at activities to reduce drug demand. The National Strategy also defines key ministries for the implementation of prevention, including the Ministry of Education, Ministry of Health and Ministry of Labor, Social Affairs and Family. Drug-use prevention is an integral part of the education process at schools. Positions for Drug Prevention Coordinators have been created at many schools, and Pedagogical and Psychological Counseling Centers have been established in each district. Since 2006, these centers have included programs that focus on preventing social pathologies related to drug use, training courses for peer activists, teacher training, and methodological assistance to school psychologists and educational counselors.

2006 saw a decrease in the number of drug users in treatment in Slovakia. 1,927 drug users including 13 foreigners were treated in 2006; this figure includes patients treated in general medical facilities. These were mostly users of heroin, pervitin, and marijuana.

A study conducted by the National Monitoring Center for Drugs estimates the number of problem drug users, defined as users of injected drugs, and long-term regular opiate and/or pervitin users, at between 18,900 and 34,500 (approximately 4.89 per 1000 inhabitants). Experience with pervitin use remains relatively limited although trends are upward in comparison with earlier surveys. The lifetime prevalence of pervitin use in Slovakia's population increased from 0.6 percent (2002) to 1.5 percent (2004) and decreased in 2006 (1.2 percent). In 2006, the most commonly sought treatment was for opiates (42 percent), followed by pervitin (22.6 percent). Among patients seeking treatment for the first-time, however, stimulants (pervitin) were the most common concern, followed by opiates.

From 2000 to 2006, lifetime prevalence of marijuana use in Slovakia's population (15-64 years) increased from 11.7 percent to 16.1 percent. Cocaine is used only rarely in Slovakia and is believed to be used recreationally by a small group of people. In 2006, 20 cocaine users were in treatment. In 2006, treatment was provided by 6 specialized treatment centers for drug dependency, departments of psychiatric hospitals and facilities, and by offices of psychiatrists specialized in drug addiction treatment. Social reintegration and residential care for clients having received medical treatment were provided by 18 accredited social reintegration centers. The National Monitoring Centre for Drugs is concerned by insufficient coverage of needle and syringe exchange programs. In 2006, such services were provided by 7 organizations in 10 cities. The challenge is to maintain the long-term sustainability of these programs in the face of financial instability, shortage of personnel, and lack of client interest. A substitution treatment register still does not exist in Slovakia. From 1997 to 2005, methadone maintenance was available only in the capital, Bratislava. In 2006, three new substitution programs were created, two methadone maintenance programs in Bratislava and Banska Bystrica (Central Slovakia) and one buprenorphine (Subutex) program in Kosice (Eastern Slovakia).

IV. U.S. Policy Initiatives and Programs Policy Initiatives

Bilateral Cooperation. The Regional DEA Office in Vienna shares information with the Slovak Police Presidium on operational issues of mutual interest, and has offered training for Slovak counterparts in the past.

The Road Ahead. The U.S. will continue to work with the Government of Slovakia to fight drug transit through Slovakia and to assist with drug treatment in Slovakia itself.

Slovenia

I. Summary

Slovenia is neither a major drug producer nor a major transit country for illicit narcotics. The Government of Slovenia (GOS) is aware that Slovenia's geographic position makes it an attractive potential transit country for drug smugglers, and it continues to pursue active counternarcotics policies. Slovenia's preparation for full Schengen membership, which it achieved on December 21, 2007, resulted in a continued intensive focus on border controls in 2007. Slovenia is a party to the 1988 UN Drug Convention.

II. Status of Country

Heroin from Afghanistan, which transits Turkey, continues to be smuggled via the "Balkan Route" through Slovenia to Western Europe. Cannabis was the leading confiscated drug in 2007, replacing heroin at the top spot. Slovenia's main cargo port, Koper, located on the North Adriatic, is a potential transit point for South American cocaine and North African cannabis destined for Western Europe. Drug abuse is not yet a major problem in Slovenia, although authorities keep a wary eye on heroin abuse, due to the availability of the drug. Data on national programs to prevent drug use and reduce demand are unavailable due to an ongoing effort at the Ministry of Health to overhaul its statistical databases.

III. Country Actions Against Drugs in 2007

Policy Initiatives/Accomplishments. The reduction of the supply of illicit drugs is one of the national police priorities in Slovenia. In order to ensure an efficient fight against drug trafficking, Slovenia is implementing its own national program against drugs to supplement the 2005-2008 EU strategy and action plan. Slovenia is tackling illicit drugs and related criminal offenses by conducting appropriate criminal police operations that include cooperation and information exchange at the national level as well as at the regional and international levels. Slovenia takes part in all relevant international and European fora that aim to combat organized crime groups that are involved in illicit drugs.

Law Enforcement Efforts. Law enforcement agencies seized 783 tablets of Ecstasy in the first 10 months of 2007 compared with 2,523 in the first 11 months of 2006. In 2007 authorities seized slightly less than 59 kg of heroin, compared to slightly less than 134 kg of heroin seized in 2006. In addition, police netted a little more than 118 kg of marijuana in 2007, compared to just over 45 kg of marijuana in 2006. Police also seized 8,254 cannabis plants in the first ten months of 2007, compared to 1,516 cannabis plants seized in 2006. Through mid-October police seized over 4 kg of cocaine, roughly the same amount police seized in the same period in 2006. Police also seized approximately 0.75 kg of amphetamines and slightly more than 1,000 individual tablets of amphetamines in the first 10 months of 2007.

Corruption. As a matter of government policy, the GOS does not encourage or facilitate illicit production or distribution of narcotic or psychotropic drugs or other controlled substances, or the laundering of proceeds from illegal drug transactions. There is no indication that senior officials have encouraged or facilitated the production or distribution of illicit drugs. Corruption among police officials is very uncommon.

Agreements and Treaties. Slovenia is a party to the 1988 UN Drug Convention, the 1961 UN Single Convention, as amended by the 1972 Protocol, and the 1971 UN Convention on Psychotropic Substances. The 1902 extradition treaty between the United States and the Kingdom

of Serbia remains in force between the United States and Slovenia as a successor state. Slovenia is a party to the UN Convention against Transnational Organized Crime and its three protocols.

Drug Flow/Transit. Slovenia is on the “Balkan Route” for drugs moving from Afghanistan, through Turkey, a traditional refining center for heroin, and then onward to Western Europe. Some heroin is thought to transit on so-called “TIR” trucks, long-haul trucks inspected for contraband at their place of embarkation, and then sealed by customs authorities before their voyage to a final destination. In addition, Slovenia’s preparation to become a full member of the Schengen agreement on the free movement of people, which it realized on December 21, 2007—in order to enable its citizens to travel freely to most neighboring countries and elsewhere in the European Union without border checks—resulted in a continued intensive focus on border controls in 2007.

Domestic Programs. Slovenians enjoy national health care provided by the government. These programs include drug treatment. The Ministry of Health is in the process of upgrading its databases and altering its methodology for tracking drug abuse and treatment, so no statistics for 2007 are currently available.

IV. U.S. Policy Initiatives and Programs

Bilateral Cooperation. Slovenian law enforcement authorities have been willing and capable partners in several ongoing U.S. investigations.

The Road Ahead. Based on the high quality of past cooperation, the USG expects to continue joint U.S.-Slovenian law enforcement investigation cooperation into 2008.

Spain

I. Summary

While Spain remains a major transshipment and consumption area for cocaine imported into Europe from South and Central America, Spanish National Police, Civil Guard, and Customs Services, along with autonomous regional police forces, maintained an intense operational tempo during 2007 and as of early November were on track to seize near-record amounts of cocaine. These services also carried out increased enforcement operations throughout Spain to arrest distributors of synthetic drugs, such as LSD and Ecstasy (MDMA). Spain continues to be the largest consumer of cocaine in the European Union, with 3 percent of its population consuming it on a regular basis (20 percent of all European consumers live in Spain), and over 50 percent of new patients admitted to Spanish drug treatment/rehabilitation centers during the year were cocaine addicts.

Spain is also the number one consumer of designer drugs and hashish among EU nations. The Spanish government ranks drug trafficking as one of its most important law enforcement concerns and continues to maintain excellent relations with U.S. counterparts. During a series of visits in 2007 from high-level USG officials, Spain and the U.S. discussed ways Spain could engage more robustly in Latin America, both on an operational level and on the capacity development side. In May, Spain hosted the 25th-annual International Drug Enforcement Conference (IDEC)—the first time this DEA-Sponsored event has been held outside of the Western Hemisphere—and Spanish officials highlighted during the conference our outstanding bilateral cooperation in the fight against narcotics. Spain is a party to the 1988 UN Drug Convention.

II. Status of Country

Spain remains the principal entry, transshipment, and consumption zone for the large quantities of South American cocaine and Moroccan cannabis destined for European consumer markets, and is also a major source and transit location for drug proceeds returning to South and Central America. Colombia appears to be Spain's largest supplier of cocaine from Latin America, although information available suggests an increase in shipments of illicit cocaine from Bolivia. Bolivian cocaine is transshipped through Venezuela and Argentina by vessel or plane to the Iberian Peninsula.

Spain also faces a sustained flow of hashish from its southern neighbors, Morocco and Algeria. Maritime smuggling of hashish across the Mediterranean Sea is a very large-scale business. Spanish police continued to seize multi-ton loads of Moroccan hashish, some of which is brought into Spain by illegal immigrants. The majority of heroin that arrives in Spain is transported via the Balkan route from Turkey. The Spanish National Police has identified Turkish trafficking organizations that distribute the heroin once it is smuggled into Spain. Illicit refining and manufacturing of drugs in Spain is minimal, although small-scale laboratories of synthetic drugs such as LSD are discovered and destroyed each year. MDMA-Ecstasy labs are rare and unnecessary in Spain as MDMA labs in the Netherlands prefer shipping the final product to Spain. However, the Ecstasy trafficking trend has been to use cities in Spain as transshipment points for small shipments to the U.S. to foil U.S. Customs inspectors who are wary of packages mailed to the U.S. from Belgium or the Netherlands.

Spain's pharmaceutical industry produces precursor chemicals; however, most precursors used in Spain to manufacture illegal drugs are imported from China. There is effective control of precursor shipments within Spain from the point of origin to destination through a program administered under the National Drug Plan (Spanish acronym PNSD).

III. Country Actions Against Drugs in 2007

Policy Initiatives. Spain's policy on drugs is directed by Spain's National Drug Plan, which currently covers the years 2000 to 2008. The strategy, approved in 1999, expanded the scope of law enforcement activities and permitted the sale of seized assets in advance of a conviction and allowed law enforcement authorities to use informants. The strategy also outlined a system to reintegrate individuals who have overcome drug addictions back into Spanish society. The strategy also targets money laundering and illicit commerce in chemical precursors and calls for closer counternarcotics cooperation with other European and Latin American countries.

In October 2007, the Ministry of Health released a report claiming that consumption of cannabis and cocaine among Spaniards between the ages of 14 and 18 had gone down for the first time since 1994. 29.8 percent of those surveyed admit to having sampled cannabis in the last 12 months (36.6 percent in 2004) and 2.3 percent admit to regular cocaine use (3.8 percent in 2004). Overall, 3 percent of the Spanish population regularly consumes cocaine. Spain is a UNODC Major Donor and a member of the Dublin Group, a group of countries that coordinates the provision of counternarcotics assistance.

Law Enforcement Efforts. The Spanish law enforcement agencies responsible for narcotics control are the Spanish National Police and the Civil Guard, both of which fall under the domain of law enforcement and civil security matters within the Ministry of Interior. The Spanish Customs Service, under the Ministry of the Treasury, also carries a mandate to enforce counternarcotics legislation at Spain's borders and in Spanish waters. Spanish officials at the Ministry of Interior report that drug enforcement agencies had seized 22 MT of cocaine as of the end of September 2007.

Many of the more significant seizures and arrests this past year were a direct result of the excellent cooperation between the U.S. DEA Madrid Country Office and Spanish authorities. For example, in June, Spanish police seized a ship headed to Galicia that was transporting 4,000 kg of cocaine, arresting six crew members and six other individuals involved with the trafficking network in Spain. The operation was the result of an initial report by DEA offices in Mexico and Madrid. Large-scale cocaine importation in Spain is principally controlled by Colombian drug traffickers, though Galician organizations also play an important role in the trafficking of cocaine into and within the country. Hashish trafficking continues to increase, as does the use of the drug in Spain. Hashish trafficking is controlled by Moroccan, British, and Portuguese smugglers and, to some extent, nationals of Gibraltar and the Netherlands. Spanish Civil Guard investigations have uncovered strong ties between the Galician Mafia in the northwest corner of Spain and Moroccan hashish traffickers. Hashish continues to be smuggled into Spain via commercial fishing boats, cargo containers, fast Zodiac boats, and commercial trucks. Spanish authorities recorded two large hashish seizures in August, when the Civil Guard seized 5,549 kg and arrested nine people in Gerona and Seville, and in October, authorities intercepted 4,600 kg and arrested 19 people in southwest Spain. It is believed that the hashish originated in North Africa and was transported by a large vessel.

Spanish law enforcement officials have detected a worrying rise in the amount of heroin trafficked through the country in the past couple of years, even though actual seizures were down in 2007. Heroin smuggled into Spain originates principally in Afghanistan and passes to Spain by way of Turkey; it is usually smuggled into Spain by commercial truck or private vehicle through the Balkan Route or from Germany or Holland.

Seizures:	2001	2002	2003	2004	2005	2006	2007 (Tentative)
Heroin (kg)	631	275	242	271	174	454	197
Cocaine(MT)	34	18	49	33	48	47	34

Corruption. Spain's Organized Crime Intelligence Center (CICO) coordinates counternarcotics operations among various government agencies, including the Spanish Civil Guard, National Police, and Customs Service. Under their guidance, law enforcement cooperation appears to function well. Spain does not encourage nor facilitate illicit production or distribution of narcotic or psychotropic drugs or other controlled substances, or the laundering of proceeds from illegal drug transactions. There is no evidence of corruption of senior officials or their involvement in the drug trade, but there have been isolated cases involving corrupt law enforcement officials who were caught facilitating drug trafficking. A prominent example of this occurred in mid-October when the "Jefe de Estupefacientes" (Chief of Narcotics) of the Mostoles Police Station near Madrid was arrested and accused of drug trafficking.

Agreements and Treaties. Spain is a party to the 1988 UN Drug Convention, the 1961 UN Single Convention as amended by the 1972 Protocol and the 1971 UN Convention on Psychotropic Substances. Spain is also a party to the UN Convention against Corruption and the UN Convention against Transnational Organized Crime and its protocols on trafficking in persons and migrant smuggling. A 1970 extradition treaty and its three supplements govern extradition between the U.S. and Spain. The U.S.-Spain Mutual Legal Assistance Treaty has been in force since 1993, and the two countries have also signed a Customs Mutual Assistance Agreement.

Cultivation/Production. Coca leaf is not cultivated in Spain. However, there has been concern in recent years that clandestine laboratories in Spain and some West African countries have been established for the conversion of cocaine base to cocaine hydrochloride. Some cannabis is grown in country, but the seizures and investigations by Spanish authorities indicate the production is minimal. Opium poppy is cultivated licitly under strictly regulated conditions for research, and the total amount is insignificant. The DEA is in the process of considering an amendment to its regulations to update the list of nontraditional countries authorized to export narcotic raw materials (NRM) to the United States. This change would replace the former "Yugoslavia" with Spain and would, once it takes affect, allow Spain to join the other "non-traditional" NRM exporters, Australia, France, Hungary, and Poland, as the only countries allowed to supply approximately 20 percent of the NRM required annually by the U.S. Traditional exporters India and Turkey get preferred access to 80 percent of the NRM market. Spain is not a significant production zone for synthetic drugs. While not a significant producer of MDMA/Ecstasy, minor production of the drug has been reported in Spain.

Drug Flow/Transit. Spain is the major gateway to Europe for cocaine coming from Colombia, Bolivia, Peru, and Ecuador. Traffickers exploit Spain's close historic and linguistic ties with Latin America and its wide, unprotected coastlines to transport drugs for consumption in Spain or distribution to other parts of Europe. DEA information suggests a developing trend for Colombian cocaine to be sent first to Africa and then smuggled northward into Spain. Spanish police report that the country's two principal international airports, Madrid's Barajas and Barcelona's El Prat, play expanding roles as the entry point for much of the cocaine trafficked into and through Spain, and there continues to be a substantial number of body cavity smugglers arriving by air. This year has seen an increase in the amount of cocaine entering Spain via commercial flights from Venezuela. Spain's international airports in Madrid and Barcelona are also a transit point for passengers who intend to traffic Ecstasy and other synthetic drugs, mainly produced in Europe, to the United States. These couriers, however, are typically captured before they leave Spain or when they arrive in the U.S. Spain remains a major transit point to Europe for hashish from Morocco, and Spain's North African enclaves of Ceuta and Melilla are principal points of departure. Spanish law enforcement has disrupted many drug shipments through its use of the Integrated External Surveillance System (Spanish acronym SIVE), deployed on its southern coast. The Spanish Civil

Guard initiated the SIVE system to control the growing flow of illegal maritime drug trafficking, mainly African hash, especially around the coasts of Cadiz and Malaga.

Domestic Programs/Demand Reduction. The national drug strategy identifies prevention as its principal priority. In that regard, the government continued its publicity efforts targeting Spanish youth. PNSD closely coordinates its demand reduction programs with the Spanish National Police, Civil Guard, Ministry of Health, and Ministry of Public Administration. Spain's autonomous communities provide treatment programs for drug addicts, including methadone programs and needle exchanges. Prison rehabilitation programs also distribute methadone. The government contributes over 4 million Euros to assist private, nongovernmental organizations that carry out drug prevention and rehabilitation programs.

IV. U.S. Policy Initiatives And Programs

Bilateral Cooperation. The United States continues to improve the current excellent bilateral and multilateral cooperation in law enforcement and demand reduction programs it has with Spain. Through a series of visits this year from high-level USG officials, such as the Commanders of both SOUTHCOM and JIATF-S and the INL Acting A/S, Spain and the U.S. have agreed to engage more robustly in Latin America, both operationally and on the capacity development side, to help stem the flow of narcotics coming to the Iberian Peninsula. In that regard, Spain has seconded a Liaison Officer to the JIATF South staff. In 2007, DEA coordinated with the Spanish government to host the annual IDEC conference in Madrid. This was the first time IDEC was held in Europe. DEA Administrator Tandy participated in the 2007 IDEC conference in Madrid and built on a successful visit she conducted to Spain in September 2006. During a joint press conference with the DEA Administrator, the Spanish Minister of Interior highlighted our close bilateral cooperation in the area of counternarcotics. DEA continues to work very closely with its Spanish law enforcement counterparts, which has resulted in numerous successful joint investigations. DEA has also conducted training courses in undercover operations and financial investigations for its Spanish counterparts, which were very well received by the Spaniards. Spanish government officials routinely tell us that Mexico is a strategic priority and we believe there are areas for joint cooperation in that country. The U.S. urges Spain to become a leader among EU member states in the fight against narcotics and the opening of the Maritime Analysis and Operations Center-Narcotics (MAOC-N) in Lisbon should bolster EU capacity to protect its southwestern flank.

Road Ahead. With drug traffickers targeting Spain in a major way and its government reaching out to us for assistance, the U.S. will continue to coordinate closely with Spanish counternarcotics officials. Spain will continue to be a key player in the international fight against drug trafficking and seeks to maintain momentum from its successful hosting of the IDEC. The U.S. and Spain are natural partners in Latin America, and are intent on developing a partnership there for the benefit of Latin America as well as Spain and the U.S.

Sweden

I. Summary

Sweden is not a significant illicit drug producing, trafficking or transit country. The fight against illegal drugs is an important government priority and enjoys strong public support. There are an estimated 26,000 illegal drug addicts in Sweden, out of a total population of 9 million. The overall quantities of narcotics seized in 2007 did not change significantly from 2006. Amphetamine and cannabis remain the most popular illegal drugs. Cocaine and anabolic steroid usage, the quantity of Internet ordered narcotics, and the estimated size of the cannabis market all increased in 2007. To combat these trends, Swedish law enforcement and customs entities have been active in various domestic and international counternarcotics projects, including with the Drug Enforcement Administration (DEA) and Federal Bureau of Investigation (FBI).

The majority of narcotics in Sweden is smuggled via other EU countries, West Africa, and the Balkans. In 2007, authorities made the largest single khat seizure in Swedish history; khat use remains restricted to Somali, Ethiopian and Yemeni immigrant communities. Limited residential cultivation of cannabis is known to occur and a limited number of small kitchen labs for the production of methamphetamine and anabolic steroids exist. Sweden is not believed to have any industrial-scale narcotics laboratories and residentially produced narcotics are mainly for personal use. Sweden is a party to the 1988 UN Drug Convention.

II. Status of Country

Relative to other European countries, Sweden (both government and society) is highly intolerant of illegal drugs. Sweden places strong focus on prevention and education. According to government statistics, 10 percent of the adult population (15-75 years old) has tried drugs, and the number of drug users is twice as high among men as women. Consistent with 2006 levels, Sweden has approximately 26,000 serious drug addicts (i.e. regular intravenous use and/or daily need for narcotics). Some 25 percent of the serious drug users are women, and since 2004 the number of young women abusing anabolic steroids has steadily increased.

Police and government officials state that the annual number of deaths related to drugs is difficult to estimate but place the figure at approximately 200, which represents an approximate 20 percent decrease from 2006. Authorities attribute the drop in the death rate to the increased use of subutex, a medicine used for maintenance of heroin addicts during detoxification and treatment.

The government-sponsored Organization for Information on Drugs and Alcohol (CAN) reports that the overall number of young people who have used drugs is comparable to last year's levels. The percentage of high school students (aged 15-16 years old) who claim to have been offered drugs increased from 19 percent in 2006 to 20 percent in 2007. High school-aged boys who claim to have tried drugs decreased one percentage point to six percent; the corresponding statistic for high school-aged girls remained at five percent. Approximately 60 percent of those who try drugs for the first time use cannabis. Amphetamine and Ecstasy were the second and third most commonly used drugs.

There are regional differences in drug use. The use of narcotics is predominately concentrated in urban areas, while narcotics use in rural areas is low but growing. The police have observed a countrywide increase in the use of cocaine and especially in medium-sized cities such as Orebro and Vasteras. Previously considered a "luxury" drug, and mainly used in fashionable bars and restaurants, cocaine has become more common due to a significant drop in price. A few years ago, one gram of cocaine cost \$200; today the street price is \$80. The shift from heroin to cocaine

among some addicts is attributed to this price decrease. The cocaine market in Sweden has long been dominated by South American narcotics and smugglers; however, the increased activity of other criminal groups in the cocaine trade, including Balkan networks, has led to greater competition and the overall price decrease. Law enforcement entities have noted also that West African networks once heavily involved with heroin smuggling are now cooperating with South American smugglers in the cocaine trade.

Cannabis is one of the most commonly used narcotics in Sweden. A recent investigation uncovered approximately 140 cannabis smuggling networks and police have increased their estimate of the amount of cannabis in the country at any given time to 25 tons.

National Drug Policy Coordinator, Björn Fries, has stated that the use of khat is an insufficiently acknowledged drug problem in Sweden. Khat, which is a leaf and is chewed, is often smuggled into the country embedded in fruit and vegetable packages; its use is predominantly restricted to immigrant communities from Somalia, Ethiopia and Yemen.

According to customs reports, there has been an increase in the ordering of illicit drugs over the Internet. Cannabis is the drug most commonly Internet-ordered drug. Other Internet-ordered drugs confiscated by customs include Ecstasy, heroin, steroids and illegal pharmaceuticals such as Tramadol. Most packages originate in Spain, the Netherlands, South America and the Baltic region. Combating the Internet narcotics trade is a counternarcotics priority and Swedish law enforcement is coordinating closely with Interpol and Europol to develop methods to prevent teenagers from purchasing drugs online.

III. Country Actions Against Drugs in 2007

Policy Initiatives. In April 2006, the parliament approved a National Action Plan on Narcotic Drugs, which runs through 2010. Demand reduction and restriction of supply figure prominently in the plan, and the plan includes provisions to increase treatment for detainees with drug addictions. Four ministries share the primary responsibility for drug policy: the Ministry of Health and Social Affairs, the Ministry of Justice, the Ministry of Finance and the Ministry for Foreign Affairs. Together, officials from these ministries form an independent working group called The Government's Coordination Body in Drug Related Issues (SAMNARK), which coordinates the implementation of the Action Plan.

In September 2006, the government established an investigative commission to review current narcotics legislation and to make recommendations on how to strengthen it. The commission is also considering proposals for harsher penalties for dope-related crimes and expects to release its results in late 2008. The government has a National Drug Policy Coordinator in charge of implementing the National Action Plan and coordinating national policy. In 2007, the Mobilization Against Drugs (MOB) Task Force was granted \$5 million to combat social drug usage at restaurants, investigate Internet narcotic sales and improve rehabilitation services. However, the MOB and the position of National Drug Policy Coordinator will be terminated in 2008, and the government is currently making plans to create a new organization for counternarcotics coordination. The new organization will consist of two ministerial staff members that will coordinate government counternarcotics activity and a council consisting of researchers and relevant authorities. The National Board of Health and Welfare and the Swedish National Institute of Public Health will be responsible for implementing the organization's action plans.

In February, The National Board of Health and Welfare developed national guidelines and recommendations to standardize municipal level treatment and improve overall rehabilitation services on the local level. However, in September, the Board published a report stating that some Swedish counties do not offer heroin addicts a sufficient level of treatment and lack clear treatment and rehabilitation guidelines. In April, the government allocated \$30 million to municipal drug

preventive measures, concentrating on welfare programs for children of drug abusers and school information campaigns.

Since 2004, Sweden's National Cannabis Project has focused on combating the organized criminal aspect of the cannabis trade. The project will end in January 2008 and will be replaced by an action group based in Malmo. In 2007, the MOB financed a \$120,000, one-year project coordinating police, customs and prosecutor activity targeting cocaine smuggling from South America and West Africa. Sweden also participates in a Denmark led project targeting West African cocaine and heroin networks.

Continued cooperation with Baltic countries, where significant drug trafficking routes exist, constitutes an ongoing and important element in Sweden's counternarcotics efforts. Sweden cooperates in country specific customs and law enforcement coordination projects with Lithuania and Poland and, until December 2007, with Estonia. In 2007, Sweden participated in the Baltic Sea Task Force, combating illegal labs and chemical precursors in Estonia, Latvia, Lithuania and Poland. As part of this task force, police authorities met monthly to discuss methods of moving forward on counternarcotics projects.

Fighting drugs remains a high priority area for Sweden's official development assistance. The Swedish International Development Authority (SIDA) allocated approximately \$150,000 in 2007 for multilateral and bilateral UN normative instrument projects against drugs and tobacco.

Law Enforcement Efforts. During the year authorities did not uncover any major drug processing labs. Police reported 52,915 narcotics-related crimes from January to September 2007 period. This represents a seven percent increase compared to the corresponding period of 2006. Approximately 30 percent of the arrests under the Narcotics Act led to convictions, which on an average resulted in six months in jail. The majority of the crimes involved consumption and possession.

In September, Swedish police conducted a raid called "Raw Deal" against illegal trade of steroids on the Internet. The raid was coordinated with similar police raids in Germany, Canada, Mexico and the U.S. During the raid, police seized steroids, cannabis, heroin and amphetamine. The operation is considered to be the most extensive Internet drug operation to date, and the operation is on-going.

In February, police seized a record breaking 31.1 kg shipment of khat. In response, the Prosecutors Office has begun investigating usage trends and the possibility of lowering the legal 400 kg quantity needed to constitute an aggravated drug offense.

In the last seven years, steroid use has increased 30 percent. Together with the Doping Call Center, police have started investigating the growing trend of steroid users taking other narcotics and prescription pharmaceuticals to counteract the negative side effects of steroid use. The majority of steroid users who mix with other drugs are between 18-25 years old and authorities suspect that steroids may be acting as a gateway drug. The investigation is on-going.

Narcotic seizure reporting mechanisms changed between 2006 and 2007. Law enforcement authorities believe the transition process likely resulted in incomplete reporting in 2007 but noted they believe seizures and overall drug smuggling levels were roughly on a par with 2006.

Amounts seized per substance per year in kilograms:

(January-September)	2007	2006	2005
Cannabis	848	419	774
Amphetamine	227.6	243	326

Heroin	13.5	73	13
Cocaine	15.7	25	17
Khat	5,000	4,400	4,227
Ecstasy (number of pills)	102,111	95,334	83,818

Number of drug seizures by Swedish Authorities:

(January-September)	2007	2006	2005
Cannabis	4,822	4,632	4,769
Amphetamine	4,154	4,294	4,323
Heroin	477	499	534
Cocaine	412	528	320
Ecstasy	120	160	268
Khat	146	234	210

Corruption. As a matter of policy, the Swedish government does not encourage or facilitate illicit production or distribution of narcotic or psychotropic drugs or other controlled substances, or the proceeds from illegal drug transactions. Similarly, no senior government official is alleged to have participated in such activities. The Swedish government actively discourages and combats the production and distribution of narcotics and no senior officials are known to encourage or facilitate the narcotics trade. Swedish law covers all forms of public corruption and stipulates maximum penalties of six years imprisonment for gross misconduct or taking bribes. The Narcotics Act contains severe penalties for the use and/or production of illegal narcotic substances.

Agreements and Treaties. Sweden is a party to the 1988 UN Drug Convention and is meeting the Convention's goals and objectives. Sweden is a party to the 1961 Single Convention, as amended by the 1972 Protocol, and to the 1971 Convention on Psychotropic Substances. Sweden is a party to the UN Convention against Transnational Organized Crime and its protocols against trafficking in persons and migrant smuggling and the UN Convention against Corruption.

Cultivation/Production. No major illicit drug cultivation/production was detected during the year. During the first six months of 2007, the police uncovered 33 illegal cannabis cultivation sites in Stockholm, Gothenburg, Uppsala and Halmstad. The cultivators were mostly young males, 20 to 30 years old and using instructions found on the Internet. Ten small steroid labs were shut down in 2007. Sweden is not believed to have any industrial-scale narcotics laboratories and residentially-produced narcotics are mainly for personal use. Some legal cultivation of cannabis for use in fibers occurs in Sweden, as allowed for under EU regulations on the cultivation of flax and hemp for fiber.

Drug Flow/Transit. Drugs mainly enter the country concealed in commercial goods, by air, by ferry, and by truck over the Oresund Bridge linking Sweden to Denmark. The effectiveness of customs at Stockholm's Arlanda airport is believed to have resulted in an upward trend of smuggling by truck and ferry. An estimated 70 percent of all seizures are made in the southern part of Sweden. Most of the seized amphetamine originates in Poland, the Netherlands, and Baltic countries. Seized Ecstasy comes mainly from the Netherlands; cannabis from Morocco and

southern Europe; and khat from the Horn of Africa via Amsterdam and London. Cocaine often comes through Spain and the Baltic region or directly from South America in freight containers. The route for heroin is more difficult to establish, but according to police information, a West African network has established a route to Sweden via Portugal and Spain. West African smugglers are also more likely to carry heroin and cocaine into Sweden in suitcases or in their personal property. Scandinavian countries have joined efforts in an attempt to combat these networks. In 2007, law enforcement did not seize any drugs intended for the U.S. market.

Domestic Programs and Demand Reduction. The National Institute of Public Health and municipal governments are responsible for providing compulsory drug education in schools. In April, the government allocated \$30 million to municipal drug preventive measures, concentrating on welfare programs for children of drug abusers and school information campaigns. Several NGOs are involved in drug abuse prevention and public information programs to counter drug abuse.

IV. U.S. Policy Initiatives and Programs

Bilateral Cooperation. Swedish cooperation with U.S. law enforcement authorities continues to be excellent. In the last year, U.S.-Swedish cooperation to combat the sale of steroids over the Internet resulted in 12 arrests and the seizure of steroids, cannabis, heroin and amphetamine.

The Road Ahead. The U.S. will continue to pursue enhanced cooperation with Sweden and the EU.

Switzerland

I. Summary

Switzerland is both a consumer market and transit route for illicit narcotics, but it is not a significant producer of most illicit drugs, with the exception of hemp/marijuana. Nevertheless, in 2006 (NB: Throughout this report, the latest official statistics available are for 2006) total reported drug arrests reached 47,001, down 5 percent from the 49,450 cases recorded last year. Drug arrests peaked at just over 50,000 in 2004. Cocaine seizures increased significantly 25 percent to 354 kg (2005: +44 percent; 2004: +91 percent) and Ecstasy seizures increased 7.1 percent to 216,000 pills (2005: +75 percent; 2004: +480 percent). Seizures in 2007 by cantonal police were another record, but the pace of increase in seizures of both cocaine and Ecstasy seem to be slowing down, perhaps indicating a plateau in abuse of these two stimulants. Many drug smugglers belong to Swiss-based foreign criminal networks from Africa and the Balkans. The Swiss public continues its strong support for the government's four-pillar counternarcotics policy of preventive education, treatment, harm reduction, and law enforcement.

The politics of drug liberalization at the federal level have changed recently, putting the brakes on the cannabis legalization movement. A new drug bill aimed at decriminalizing cannabis use for Swiss adults, concentrating enforcement efforts against other drugs, and making permanent a pilot heroin maintenance program for drug addicts was rejected by parliament in June 2004. A month later, the public lobby "For the Protection of Youth against Drug Criminality" initiated a new ballot initiative demanding the decriminalization of cannabis, including the possession, consumption, and purchase for personal use. Supporters include well-known legislators from the whole political spectrum, physicians, scientists, prevention professionals, business leaders, as well as law enforcement and hemp industry representatives. The group collected 105,994 signatures and formally registered its referendum at the Federal Chancellery on January 13, 2006. In December, the federal government expressed its opposition to the project but said the initiative would be put to referendum in 2009-2010. A zero tolerance law against driving while under the influence of drugs (cannabis, heroin, cocaine, Ecstasy) entered into effect on January 1, 2005. Switzerland is a party to the 1988 UN Drug Convention.

II. Status of Country

In a country of approximately seven and a half million people, about half a million Swiss residents are thought to use cannabis at least occasionally. Roughly 30,000 people are addicted to heroin and/or cocaine, and more than 7.2 percent of the population uses a narcotic substance regularly. While reported arrests for Ecstasy consumption decreased by 11 percent in 2006, the use of other drugs increased compared to 2005. Cannabis, cocaine, and heroin still remain popular among drug addicts. Swiss statistics show that cocaine consumption among youngsters is on the rise. Police are also concerned about the continuing trend by casual users to mix cannabis and other drugs. An international survey recently found that Swiss teenagers smoke more cannabis than their peers in more than 30 other European countries, with one in three Swiss 15-year-olds smoking pot at least once within the past year. There are an estimated total of 250,000 people who regularly smoke cannabis-nearly twice as many as a decade ago. Drug trafficking-related arrests almost doubled from 97 to 182 cases, but deaths due to drug consumption (overdoses) decreased from 211 to 193. The Swiss Federal Police published a report on narcotics activities in 2005. It is available at: www.fedpol.admin.ch/fedpol/de/home/dokumentation/statistiken.html

III. Country Actions Against Drugs in 2007

Policy Initiatives. Since January 1, 2002, jurisdiction for all cases involving organized crime, money laundering, and international drug trafficking shifted from the cantons to the federal prosecutor's office in Bern. According to the federal prosecutor's office, the number of investigative magistrates increased to 25 in 2006. Beginning January 1, 2002, it became illegal to advertise products that contain narcotic or other psychotropic substances without government certification. Violators who put human lives at risk face fines up to \$158,079 (SFr 200,000) or imprisonment. Heroin maintenance prescription programs originally intended to end in December 2004 have been extended until 2009. The Swiss Federal Office for Public Health believes that its heroin prescription program has a direct impact on drug-related crime: around 70 percent of addicts earned money from illegal activities at the time they entered the program, compared with 10 percent after 18 months in the program. The heroin prescription program has many detractors. Following the release of the "Zurich Drugs and Addiction Policy Report," made public on August 12, 2004, Zurich authorities admitted that they had been so busy tackling the open heroin scene that other areas of addiction had been overlooked. After concentrating on the heroin problem for the past ten years, the city said it wanted to be more active in other areas, such as encouraging the reintegration into society of drug addicts. A pilot project for the distribution of cocaine under prescription is underway, but it is not being supported for the time being by the Swiss Federal Office of Public Health in Bern. However, the Swiss government is backing other pilot projects in Bern and Basel aimed at distributing Ritalin, a substitute for narcotic drugs. The City of Zurich has also offered, over the last five years, the possibility for youngsters to test their drugs outside nightclubs. In September 2006, the city decided to open an office, open daily, which should provide the same services and is sponsored by the Swiss Federal Office of Public Health and the city budget. Swiss and German authorities continue to cooperate under a bilateral police agreement signed on June 22, 2004, aimed at increasing bilateral cooperation at border checkpoints. The main goal of the agreement is to facilitate police cooperation to more effectively deal with drug and weapons smuggling. Document specialists from both countries also assist border guards to use improved techniques to detect forged travel documents. The Swiss-German border crossing at Basel/Larach is one of the busiest in Europe, with 70 million people crossing per year.

Law Enforcement Efforts. According to the Swiss Federal Police, there are three types of organized criminal groups in the country: the West African networks involved in the cocaine traffic; Albanian bands dealing in heroin and prostitution; and the money laundering networks working from the former Soviet republics. Noticing that many resident aliens, suspected (but not convicted) of drug dealing, travel from canton to canton, several cantonal authorities increasingly ban convicted drug dealers, resident in another canton, from visiting their cantons. They also prohibit convicted drug dealers from visiting certain areas, like railway stations (difficult) and schools (possible). If picked up by police, these dealers (mainly refugees from Eastern Europe and sub-Saharan Africa) are fined and "deported" to their canton of residency. If picked up again, they are jailed. Deportation of foreign drug dealers to their home country is difficult because they often hide their true country of origin from the police (NB: cantonal police are responsible for deportations, not the Federal Office of Migration). When looking at cross-border cocaine smuggling, the Swiss Federal Police believe that many criminals involved use the train to connect the Swiss drug market with Holland or Spain. Their nationalities range from Swiss, Italians, Lebanese, West-African, South-East Europe, South American, to the Dominican Republic. The "mules" generally originate from Africa, Brazil, the Dominican Republic or Europe. To give a sense of drug abuse developments in Switzerland, some important drug-related enforcement operations are described below:

- In November 2006, the Vaud police dismantled a cocaine network involving twelve Nigerians, and seized SFr. 140,000 and 800 grams of cocaine. The

investigation started a few months prior to the arrest when other Nigerians were arrested in Nyon and Yverdon with 1.1 kg of cocaine and SFr. 46,000. Later, the police dismantled the entire regional network and arrested 12 dealers and wholesalers. Three other African dealers holding “B” resident permits were also arrested, with 45 grams of cocaine and SFr. 95,000. Finally, a drug smuggler from Romania was arrested in Yverdon with 700 grams of cocaine in his stomach. He was to deliver it to a Nigerian drug dealer, who was also arrested with SFr. 18,000.

- In November 2006, a ship container containing 57 kg of cocaine was discovered in Basel. The cocaine was hidden on a ship loaded with coffee that originated from Anvers, Belgium, and had reached Basel over the Rhine River. It appears that the drug was imported from Columbia and was originally destined for Holland and ended up in Basel by mistake. Its market value is estimated at SFr. 5 million.
- In November 2006, the Basel-Am-Rhein border post arrested three Serb/Bosnian women aged 33-46. They were traveling in a German car and carried stolen driving licenses. Border guards discovered 16 kg of cocaine worth SFr. 1.3 million in their car, their biggest seizure of the year.
- In December 2006, the Zurich police arrested 20 people involved in a large-scale Ecstasy trafficking network operating from Switzerland to the United States.
- In December 2006, a Vaud cantonal judge determined that the cantonal revenue service could keep SFr. 3.34 million found during a Swiss-U.S. anti-narcotic operation. The funds were discovered in a Swiss bank account in Lausanne and belonged to Colombian narco-traffickers. These revenues will be used to finance anti-narcotic operations and drug prevention training. The Vaud counternarcotics taskforce code-named STRADA increased the number of drug related arrests significantly.
- In March, the Lausanne police in canton Vaud dismantled a Brazilian cocaine ring and seized 5 kg of cocaine, worth SFr. 1.2 million. The main perpetrators purchased the drug in Brazil where it is sold at SFr. 6 per gram, and trafficked it using false-bottom suitcases. While 16 people were involved in the ring, seven remain in custody for drug smuggling and other criminal offences. In 2006, the Lausanne police seized 6.3 kg of cocaine, while Vaud police seized 4.8 kg for the entire canton.
- In March, the Geneva police seized 220 kg of Khat at the Mategnin border post, the largest quantity ever. A car with Vaud license plate was about to enter Switzerland from France, but turned back when it spotted the police. The car was later stopped at another checkpoint. The Somali driver and his accomplice had taken some of the Khat themselves to fortify them for the long drive from Holland. The defendant is a well know drug trafficker. The Khat was originally imported from Africa. Cross-border arrests are easy on the Swiss/French border since Switzerland and France signed a hot pursuit agreement which enables police of both countries to pursue and arrest across the border. The Somali driver was convicted and served a 60 day sentence.
- Last year Swiss customs intercepted 193 kg of cocaine and 59 kg of heroin at the country's borders. Also uncovered were 95 kg of cannabis and around 50,000 doses of drugs such as Ecstasy and LSD. Swiss officials believe Europe is

currently awash with trafficked cocaine, smuggled in by highly professional gangs from traditional regions such as South America and the Caribbean, but more and more from West African countries. International anti-smuggling operations have already been carried out, with large amounts of illegal substances being confiscated at Airports. Swiss police and customs often face sophisticated smugglers who conceal drugs in double suitcases or conceal the drugs presence via electronic equipment.

- In July, the Ticino police dismantled a cocaine network and arrested 25 dealers and fined 250 of their clients. One kilogram of cocaine and SFr. 160,000 were also confiscated. The drug traffickers were mostly African asylum seekers who delivered drugs to Ticino from northern parts of Switzerland.
- In August, a total of 150 kg of heroin valued over 33 million U.S. dollars was seized at the Swiss-Austrian border in the canton of St Gallen. During a routine check at the Diepoldsau border post, the Swiss police discovered 30 packs of heroin, hidden on a Turkish truck. It was the largest amount of heroin ever seized in Switzerland. The 150 kg of heroin, packed in 500 grams black plastic bags, was heading for Zurich. The two Turkish drivers on the truck were also arrested. Swiss and Austrian police conducted searches in Zurich and Vienna, while the Turkish police also started their investigations locally.
- In August, Swiss customs discovered at the Chiasso border post 270 kg of marijuana hidden in a tourist bus returning from the Balkans through Italy. The drug (220 small packages) was hidden in the fuel tank. The two drivers were arrested and handed over to the Ticino police.
- In August, Swiss customs in Chiasso arrested a young Italian woman traveling on the Amsterdam-Milan train and carrying 50,000 Ecstasy pills.
- Late October, a Zurich district court handed down severe prison sentences of 9-11 years in prison against two drug smugglers involved in the illegal import of 195 kg of heroin. The main organizer a 41 year-old Swiss-Brazilian national, used a Swiss 75-year old lady to carry the drug hidden in art objects. She was sentenced to a two years suspended sentence.
- During 2006, cocaine seizures by Swiss border police increased from 167 kg a year ago to 193 kg, and heroin from 57 kg to 59 kg. Most of the drug seizures took place at airports. The total number of drug related arrests at the border decreased from 3,192 in 2005 to 2,563 in 2006. Across Switzerland five to ten percent of police time is spent fighting drugs. In 2005, a new undercover law went into effect. Under this law, undercover operations can only be authorized at the federal prosecutor's level. Previously, this authority rested at the cantonal law enforcement level.

Geneva police authorities complain that the city's number one problem is drug trafficking. The Geneva drug scene is controlled by many nationalities depending on the type of drug. Large numbers of drug dealers or traffickers destroy their identity papers and apply for asylum to avoid repatriation to their home country. Dealers from Algeria, Guinea and Serbia Montenegro are the most problematic in this regard. Cocaine arrives, in general, to Geneva from South America, via Amsterdam and Zurich. Drug mules hide the drug in their stomach to avoid easy detection when they take the train. The Geneva market is controlled by traffickers originating in West Africa (Benin, Sierra Leone, Guinea-Bissau, and Guinea-Conakry) who come from nearby France and the apply for asylum. In March, Geneva undercover officers arrested a 27-year old cocaine dealer from

Mali. After objecting fiercely to police search, three doses of drugs were found in his mouth. Because of a lack of space in the overcrowded Geneva prison and few repatriation agreements, most African dealers are released on the street. The Geneva Drug Task Force reports that 300 young hashish drug dealers from Morocco operate on the streets of Geneva. Many of them reportedly are violent, commit theft, and have been known to stab other drug dealers. In order to evade repatriation, many of them applying for asylum destroy their identity papers and claim they are Palestinians or Iraqis. Police forces regret there are no repatriation agreements with Morocco and Algeria. A successful repatriation agreement with Nigeria helped send back many traffickers. The average monthly earnings of a drug dealer in Geneva are about SFr. 4,000. Geneva police statistics on drug-related arrests show that 98.5 percent of drug dealers were foreigners.

Corruption. As a matter of government policy, Switzerland does not encourage or facilitate illicit production or distribution of narcotic or psychotropic drugs or other controlled substances, or the laundering of proceeds from illegal drug transactions. Similarly, no senior government official is alleged to have participated in such activities. In June, the Geneva police arrested a 50-year old employee of the Cantonal Population Office on the ground he stole 600-700 blank working permits and sold them to an Albanian cocaine network for SFr. 60,000. The judgment is still pending.

Agreements and Treaties. Switzerland and the United States cooperate in law enforcement matters through bilateral extradition and mutual legal assistance treaties. Switzerland is a party to the 1961 UN Single Convention as amended by the 1972 Protocol, the 1971 UN Convention on Psychotropic Substances, and the 1988 UN Drug Convention. Switzerland is also a party to the UN Convention Against Transnational Organized Crime and its protocols against migrant smuggling and trafficking in persons.

Cultivation and Production. Switzerland is not a significant producer of illicit drugs, with the exception of illicit production of high THC-content cannabis/hemp. After years of abuses in Hemp shops selling a variety of cannabis products, a federal court ruled in March 2000 that selling hemp products with a THC level above 0.3 percent was a violation of the narcotics law regardless of how the shop had labeled the hemp. Since then, police operations in all cantons have targeted the illegal production, traffic and sale of cannabis products. Today, hemp plantations and shops no longer operate in the open but have moved underground. Illicit cultivation of high TNC content hemp has collapsed, which has led to an increase in prices and reduced availability. In 2007, Switzerland saw an increase of smuggling cases involving cannabis (both resin and herb), showing that contrary to earlier years, domestic cannabis production no longer meets the demand of the Swiss market. Surveys among pupils in 2006 suggest that cannabis consumption is slightly decreasing (corroborated findings on consumption are due in 2009). In the past few years, there have been no important cases of domestic production of Ecstasy or other synthetic drugs in Switzerland.

Drug Flow/Transit. Switzerland is both a transit country for drugs destined for other European countries and a destination for narcotics deliveries.

Domestic Programs. Switzerland focuses heavily on prevention and early intervention to prevent casual users from developing a drug addiction. Youth programs to discourage drug use cost \$6 million annually according to the Swiss Federal Office of Public Health. Swiss authorities made 230 kilograms of heroin available for registered addicts through the Heroin-assisted treatment (HAT) program. Three-quarters of those enrolled in the program were male. The number of slots available in "heroin treatment centers" increased from 1389 to 1429. With 1308 patients by December 2006, the heroin distribution program is currently running at 91 percent of capacity. A total of 135 drug addicts entered the program during 2006. The average participant is 35 year old and most are male. The Medical treatment costs approximately SFr. 33 million, or SFr. 51 per day per person. Twenty percent of the costs were paid for by the cantons, while 80 percent was paid by the individual's health insurance. Average time in heroin treatment is 2.92 years. Of the 173

persons who terminated the heroin prescription program, 63 percent opted for the methadone-assisted programs, or an abstinence therapy. In early 2005, Switzerland took part in an international pilot study, the implementation of the Multidimensional Family Therapy (MDFT) for adolescents with a cannabis problem. MDFT was developed at Miami University and has been used successfully in many instances in the U.S. More information on the Heroin-assisted treatment (HAT) program is available at:

<http://www.bag.admin.ch/themen/drogen/00042/00629/00798/01191/index.html?lang=en>

IV. U.S. Policy Initiatives and Programs

Bilateral Cooperation/Policy Initiatives. On March 15, 2004, Switzerland and the U.S. joined forces to curb the rise in illegal sales of prescription drugs over the Internet. The two countries called for international action in a resolution presented at the annual session of the UN Commission on Narcotic Drugs in Vienna. The joint resolution stated that every country should introduce and enforce laws against the sale of narcotics and psychotropic drugs over the Internet.

The Road Ahead. The U.S. and Switzerland will continue to build on their strong bilateral cooperation in the fight against narcotics trafficking and money laundering. In particular, the U.S. urges Switzerland to use experiences gained in fighting terrorist money laundering to become more proactive in seizing and forfeiting funds from narcotics money laundering. The U.S. also will monitor Switzerland's proposed revisions to the Swiss narcotics law.

Tajikistan

I. Summary

Tajikistan is not a producer of illicit narcotics, but it is a major transit country for heroin and opium from Afghanistan. A significant amount of opium/heroin is trafficked, primarily using land-based routes, through Tajikistan, onward via the “Northern Route”—through Central Asia to Russia and west and east Europe. Approximately 40 percent reaches Russia; 30 percent goes to Europe; and there is evidence of Afghan opiates bound for China via Murghab in eastern Tajikistan. Chinese border police and the Tajik Drug Control Agency conducted a joint study of the drug flow of Afghan opiates from Tajikistan to China in October 2007. They estimated that approximately 5 percent of Afghan opiates entering Tajikistan exit to China. There is no evidence of a significant amount of Afghan heroin transiting Tajikistan to the United States; estimates are that 3 percent of narcotics transiting Tajikistan go to the United States and 3 percent through Africa to South America. The Tajik Government is committed to fighting narcotics; however, corruption within the Tajik government continues to complicate counternarcotics efforts. Increasingly, corrupt officials at the highest levels thwart law enforcement efforts as drug investigations strive to move up the chain of organized criminal groups. So far, no anti-corruption efforts by the Government of Tajikistan (GOT) have had a significant impact on the corruption problem.

Tajikistan is ill equipped to handle the myriad social problems that stem from narcotics trade and abuse. Tajikistan’s medical infrastructure is inadequate to address the population’s growing need for addiction treatment and rehabilitation. Still, the GOT continues to implement counternarcotics activities, yielding more seizures than all other Central Asian states combined. Tajikistan coordinates its activities with all major donors and surrounding countries. Tajik law enforcement continues to make arrests and seizures for mid- to low-level cases and there has been increased cooperation between Russia and Tajikistan on such cases. There continue to be opportunities for more solid cooperation between -Kazakhstan, the Kyrgyz Republic and, most importantly, Afghanistan. Tajikistan is a party to the 1988 UN Drug Convention, as well as the UN Convention against Corruption.

II. Status of Country

Geography and economics continue to make Tajikistan an attractive transit route for illegal narcotics. The Pyanj River (Amu Darya in Afghanistan), which forms most of Tajikistan’s border with opium-producing Afghanistan, is thinly guarded and difficult to patrol. Traffickers can easily cross the border at numerous points without inspection due to the lack of adequate border control. Tajikistan’s non-criminal economic opportunities are limited by a lack of domestic infrastructure and complicated by the fact that its major export routes must transit neighboring Uzbekistan. In the past, Uzbekistan closed its border to combat a “perceived instability” from Tajikistan, although borders have remained open for the last three years. Criminal networks that came to prominence during the 1992-97 Tajik civil war, continued instability in Afghanistan, rampant corruption, low salaries, a poorly trained legal cadre and dysfunctional legal system, and the government’s lack of revenue to adequately support law enforcement efforts hamper rule of law and the government’s efforts to combat illegal narcotics flows. With the average monthly income in the country at around \$40, high unemployment, poor job prospects, and massive economic migration to Russia, the temptation to become involved in narcotics-related transactions remains high.

In-country cultivation of narcotics crops is minimal. However, the Government of Tajikistan has recently indicated that it is investigating the possible existence of small mobile processing labs to

refine Afghan opiates near the southern border area in Shurabad district near Yol and Sarigor and in the east near Khorog in Gorno-Badakhshan.

There were no seizures of illegal precursors in 2007. A lack of proper screening equipment and related training, and the absence of salary incentives for seizures of precursor chemicals, mean the possible illicit transit of such chemicals goes undetected. The small amount of licit precursor chemical imports, closely monitored by the Tajik government, is destined generally for five in-country industrial sites that use such chemicals. The GOT does not have the capability to monitor or intercept precursor chemicals illegally transiting Tajikistan to Afghanistan. Part of the reason for the lack of seizures and information is that the Tajik government has a customs inspection agreement with Uzbekistan and Kyrgyzstan that prohibits inspection of sealed trucks (TIR) bound for a non-Tajikistan destination, many of which could be carrying licit and illicit precursor chemicals. There were no seizures of illegal precursors in 2007.

III. Country Actions against Drugs in 2007

Policy Initiatives. With the final withdrawal of Russian border troops from the Tajik-Afghan border in October 2005, Tajik forces are solely responsible for patrolling and maintaining the border. In January 2007, the Tajik State Committee for Border Protection (SCBP) was subsumed under the new State Committee for National Security (SCNS). This merger has had major ramifications for border management and for international security assistance programs across the board. For example, the Committee has barred the Ministry of Interior and the Drug Control Agency access to the border within 3 to 10 kilometers. A planned U.S.-funded initiative to provide salary supplements to border guards on the Tajik-Afghan border was canceled due to diminished transparency and disagreements on control of the project with the leadership of the State Committee for National Security. The SCNS also adopted a policy to minimize contact with Afghanistan, actively supported keeping the \$39 million U.S.-funded bridge at Nizhniy Pyanj closed for two months after its completion, and resisted allowing joint Tajik-Afghan border guard training. Although President Rahmon, in early 2007, announced a revision of the Criminal Procedure Code, efforts to move forward on substantive revision have been stalled. The SCNS is however interested in creating mobile interdiction-type teams within their organization and would possibly work with the Ministry of Interior (MOI) and Drug Control Agency (DCA) using these teams as long as SCNS maintained operational command and control.

President Rahmon also created a new Commission on Anti-Corruption in 2007. However, to date, the Commission has not conducted any meaningful investigations. The fear is that the anti-corruption agency will become more a tool for political reprisals than for fighting corruption. The Presidential Office's Drug Control Agency (DCA) continued to implement a number of U.S.-funded programs to strengthen drug control capacity, including: development of three mobile interdiction and investigative teams; construction of a new gym and shooting range facilities; renovation of regional facilities; training and equipment for a national law enforcement communications network; and salary supplement programs. The new DCA mobile response and deployment teams have improved DCA's ability to collect information more widely; however, the DCA's overall operational capacity significantly decreased in 2007. Much of this was due to reshuffling of DCA personnel, which has been a serious problem in the Tajik government especially since the last Presidential elections in November 2006. At present, law enforcement efforts connected to drug trafficking are limited to interdiction and arrest of low level drug "mules", with no meaningful investigation and prosecution of organized drug criminals and criminal organizations. Given the extent of corruption in Tajikistan and the lack of transparency in the legal system, investigators are reluctant to investigate organized criminals for fear of retribution by high-level officials. There is an absence of political will to investigate and prosecute organized crime.

Law Enforcement Efforts. During the first 9 months of 2007, the DCA, Border Guards and MOI reported the following seizures:

Agency	Heroin	Opium	Cannabis
MOI	1,071 kg	1,461 kg	472 kg
DCA	405 kg	926 kg	234 kg
Border Guards	117 kg	189 kg	356 kg
Totals	1,593 kg	2,576 kg	1,062 kg

In 2007, the DCA conducted 117 operations. Of those operations two were conducted in coordination with Russian and Kyrgyz counterparts. On August 12, 2007, at the initiative of Russia, jointly with the Drug Control Agency, several active members (all Tajik) of an international organized crime group were detained and 46 kg 360 grams of heroin were seized. On October 3, 2007, the Tajik Drug Control Agency and Kyrgyz Drug Control Agency detained several Tajik and Kyrgyz organized criminals in Osh City and seized a total of 54 kg 747 grams of raw opium. Total drug seizures by all Tajik law enforcement agencies in 2007 (January to October) decreased from 3,747,705 kg (4.1 short tons) in 2006 to 3,095,936 kg seized in 2007.

A recent negotiation to add one DCA team in Murgab and another MOI team in Kulob with U.S. assistance may add significantly to capacity and reduce chemical and product movement in the next year. The Border Guards Department is still hampered by considerable corruption at the lower levels and its Soviet top-down management style. Substantive information on border guard activity has been unavailable since the Department moved to the State Committee for National Security. On the whole, law enforcement and security ministries dealing with border smuggling and organized crime have demonstrated greater capacity and willingness to be proactive in comparison to previous years. Much needs to be done in training and capacity building to reinforce this trend by Tajik forces.

Tajikistan seizes roughly 80 percent of all drugs captured in Central Asia and stands third worldwide in seizures of opiates (heroin and raw opium). Although drug seizures are significant, the lack of a conspiracy law severely limits law enforcement's ability to target upper echelon drug traffickers. Corruption continues to hinder law enforcement investigations, and so far no major narcotics trafficker has been apprehended and brought to trial. Such a move would require the full backing of the Presidential Administration and the possible prosecution of government officials charged with narco-related corruption. The government of Tajikistan did not provide information on any inter-agency joint operations conducted in 2007. In general obtaining statistical information on operations, seizures and arrests has become more difficult. In 2007, the United States provided upgrades to existing database software utilized by the DCA and MOI analytical centers. These upgrades were provided in part to organize statistical criminal information, but also to better track complex investigations. The United States continues to push the Tajik government to focus on investigations and prosecutions, rather than just seizures and arrests, as a true measure of improvement of law enforcement and rule of law. However, so far, information from the Prosecutor General's Office and the various law enforcement agencies is inconsistent.

Corruption. As a matter of government policy, the Tajik Government does not encourage or facilitate illicit production or distribution of narcotic or psychotropic drugs or other controlled substances and has continued to seek international support in augmenting its efforts to combat narcotics trafficking. However, over the last year, the level of corruption involving organized crime

and complex money laundering schemes appears to have increased significantly. Despite the lack of real growth in the productive economy, an apparent construction boom of personal mansions and commercial space, the appearance of expensive vehicles on city streets, high-end designer retail stores and other “fronts” springing up throughout Dushanbe convey a false picture of prosperity in the capital. While most of the public cannot afford these luxuries, the number of wealthy elite, many with strong ties to the government, appears to have increased. Some senior officials in the MOI, DCA, State Committee for National Security and the Ministry of Justice (MOJ) live in modest houses and apartments and drive modest vehicles, while others in the same agencies have expensive new homes, cars and other investments. Due to this apparent disparity, there is much public and private speculation about the involvement of some government officials in narcotics trafficking, money laundering and corruption. Speculation focuses on prominent public figures involved in Tajikistan’s 1992-97 Civil War. It is impossible to determine authoritatively just how pervasive drug-related corruption and other forms of corruption are within government circles. However, there is certainly a striking difference in the lifestyles of low salaried government officials and the extravagant lifestyles some senior officials appear to maintain, despite their low government salaries. Even when arrests are made for narcotics trafficking, the resulting cases are not always brought to a satisfactory conclusion. There have been some arrests of Border Guard and Customs officers in the last year by the DCA and Ministry of Interior; however, these are low level officers, and investigations rarely proceed beyond indictment of the courier and foot soldiers involved.

In 2007, the President created the Anti-corruption Commission which reports to the President’s office. It has not conducted any investigations of high value targets and there is some evidence that current investigations target drug trafficking competitors. The United States is reluctant to work with the Commission in an assistance capacity due to its lack of independence as part of the Executive branch. Such a Commission is better placed as part of the Judiciary or Parliament. The Ministry of Justice (MOJ) and the Prosecutor General’s Office pose major obstacles for many law enforcement efforts. The USG is looking to engage the justice sector entities, especially the Prosecutor General’s office and the Supreme Court, as they continue to be a major barrier to reform efforts. As corruption continues to be the single largest obstacle to reform, the United States is seeking ways to engage law enforcement with a more grass-roots approach to promoting public action and involvement in anti-corruption and community-based rule of law initiatives.

Agreements and Treaties. Tajikistan is a party to the 1988 UN Drug Convention, the 1961 UN Single Convention as amended by the 1972 Protocol, and the 1972 UN Convention on Psychotropic Substances. Tajikistan is also a party to the UN Convention against Corruption and the UN Convention against Transnational Organized Crime and its protocols against migrant smuggling and trafficking in persons. Kazakhstan, the Kyrgyz Republic, Tajikistan, and Uzbekistan signed an agreement in September 1999 on cooperation in combating transnational crime, including narcotics trafficking. The five Central Asian countries, as well as Azerbaijan, Georgia, Iran, Pakistan, and Turkey, are members of the Economic Coordination Mechanism supported by the United Nations Office on Drugs and Crime. Tajikistan ratified the United Nations Convention against Corruption in September 2006.

Cultivation/Production. Opium poppies and cannabis are cultivated in very limited amounts, mostly in the northern Aini and Panjakent districts of Tajikistan. Law enforcement efforts limited opium cultivation, but economic disincentives also limit cultivation because it has been far cheaper and safer to grow opium poppies in neighboring Afghanistan. The Government of Tajikistan suspects that drug processing may occur on the Tajik side of the Afghan border and has deepened investigations in the southern part of the country to obtain definitive evidence. There is significant evidence that close family and clan ties between Tajiks and Afghans in the border region have aided, and continue to aid, traffickers in moving their product into and across Tajikistan. However,

the United States currently has no evidence of major drug processing taking place within Tajikistan.

Drug Flow/Transit. The Tajik government estimates that a significant share of narcotics produced in Afghanistan is smuggled across the border into Tajikistan's southern Shurabad, Moskovsky, Ishkashim and Pyanj districts. The government may be seriously overestimating the percentage of Afghanistan's drug production that transits Tajikistan, but although most observers believe the largest single share of Afghan drugs passes through Iran and Pakistan, the total volume of drugs transiting Tajikistan is certainly high and growing. One UN estimate put the amount of heroin from Afghanistan going through Tajikistan at roughly 80 to 120 tons a year. Hashish from Afghanistan also transits Tajikistan en route to Russian and European markets. There is some evidence that some portion of Afghan opiates transiting eastern Tajikistan is entering western China, but due to the remoteness of the region, there is little data on the scale of the trafficking through this route. Increased operations by the DCA and cooperation with Chinese law enforcement have provided a better picture of the situation along Tajikistan's eastern border. The United States plans to support Tajikistan's cooperation with China and other neighboring states. Over the last few years, Tajikistan has experienced an increase in kidnappings, execution-style killings and dismemberment and other forms of coercion typical of organized crime used to control border drug transit areas. Often, cash does not appear to be the primary motivating factor for such crimes; rather the crimes appear intended to intimidate and extend influence among rival cross-border tribal and ethnic groups. Again, education and liaison efforts with local police and other grassroots initiatives are critical to success in this environment.

Domestic Programs (Demand Reduction). The DCA continued to expand and develop its initiatives aimed at increasing drug awareness, primarily among school children. The Tajik Government also encouraged the involvement of domestic and international nongovernmental organizations (NGOs) in this effort. USAID-funded, Population Services International (PSI) is running four "Youth Power Centers" in Dushanbe (1), Khujand (2), and Khorog (1) aimed at prevention of drug use among youth and other at-risk groups. Each center supports up to 1000 young people aged 15 to 25. The Tajik government continued to fund the "Decrease of Demand for Drugs in Tajikistan and Uzbekistan Program" which supports a rehabilitation center for drug users in Badakhshan, and constructed a sports complex in Khorog. From September 20-26, 2006, the U.S. Embassy and Tajik Ministry of Interior co-sponsored the sport event held under the slogan "Youth Against Drugs" aimed at advertising a healthy lifestyle among Tajik youth. However, a similar program planned for the spring was abandoned after the main U.S. counterpart, the Deputy Minister of Interior, was reassigned. The number of young addicts continues to grow, and over 60 percent of Tajikistan's drug addicts are in the 18-30 age group. Increased assistance in the drug demand reduction area is critical to bolstering civil society programs aimed at increasing trust and cooperation between the public and law enforcement and a greater respect for rule of law.

IV. U.S. Policy Initiatives and Programs

Bilateral Cooperation. The U.S. Embassy in Tajikistan has a growing Narcotics and Law Enforcement Section, with a full-time narcotics and transnational crime assistance officer, Senior Law Enforcement Advisor, Resident Legal Advisor, and Project Engineer to coordinate law enforcement and counternarcotics assistance. The DEA Dushanbe Country Office (DCO) currently has regional responsibility for the five Central Asian Republics. The office will be fully staffed in 2008. Cross border cooperation, in particular with the Kyrgyz Republic through the proposed Senior Law Enforcement Advisor and Millennium Challenge program should also add to an increase in interdiction, seizures, arrests, and prosecutions in the next year.

U.S. security assistance to Tajikistan continues to expand with additional resources coming from the Department of Defense (DOD) and other sources. The Office of Defense Cooperation is

implementing installation of a major communications system that will link all border posts and border guard headquarters. Eventually this system can be expanded to link all law enforcement/security agencies in Tajikistan and feed into regional efforts such as the UN-supported Central Asian Regional Information and Coordination Centre (CARICC) meant to improve information flow and operational intelligence across Central Asian borders to better combat the increase of transnational organized crime networks in the region.

DOD and State/INL also fund renovations of border outposts, provide training and substantial operational and investigative equipment to various security-related government agencies. The Embassy's Border and Law Enforcement Working Group (BLEWG) provides a coordination mechanism for all USG assistance on counternarcotics and border assistance. The U.S. Embassy played a key role in creating a donor working group, the Border Security International Working Group (BIG) that meets monthly to coordinate multilateral assistance with IOM, the UN, the OSCE, EU, Russian border advisors, and other major donors to better meet Tajikistan's greatest security assistance needs and avoid duplication of assistance. Over the last year, U.S. cooperation with the Border Guards department has become significantly stifled. Lack of transparency and inconsistent leadership within the Border Guards department has led to the need for more hands-on oversight and direct implementation of our projects on the border. The U.S. continues to expand assistance to the Ministry of Interior in hopes of increasing its cooperation with other law enforcement agencies on narcotics related crime. As U.S. assistance to the Drug Control Agency enters its eighth year, the United States has stepped up pressure on DCA leadership to begin serious efforts to take on greater responsibility for its recurring costs and is focusing funding on operational capacity that would complement other U.S.-funded programs such as cooperation with the DEA.

The Road Ahead. The United States remains committed to working with the Tajik Government to increase its law enforcement and counternarcotics capabilities. The United States will continue to focus on building basic capacity of the major law enforcement agencies, in particular the Ministry of Interior and the Tajik Border Guards; to expand mid-level management and leadership training to these entities; and to continue to push for meaningful anti-corruption efforts throughout the government. An expanded DEA presence, more sophisticated training and mentoring of the DCA, and a greater emphasis on recruiting and developing a network of reliable sources that will enable the DCA and MOI to initiate cases against major trafficking organizations operating regionally are key goals for the future of the DCA and MOI programs.

With INL funding, DEA plans to implement drug investigation seminars in 2008, which will focus on improving the DCA's and MOI's ability to target organizations and conduct long-term investigations. The United States will also begin to engage the justice sector through the Resident Legal Advisor program. Along with a major push to involve the international community in rewriting the Tajik Criminal Procedure Code, the United States will endeavor to draw out the agencies with specific small-scale projects designed to improve their ability to record and track ongoing cases. The ultimate goal of the INL-funded rule of law program is to strengthen Tajikistan's ability to investigate and prosecute major drug traffickers and organized crime syndicates as well as improve and reform judicial sector training. In order to achieve this goal in light of existing corruption and transparency issues within the government, the United States will increase its emphasis on anti-corruption, public outreach and education efforts.

The culture of corruption fueled by the huge amount of drugs passing through the country, poses a significant threat to Tajikistan's stability and prosperity. Patterned on the successful USAID-funded projects aimed at promoting community involvement in local governance, the Embassy will increasingly focus U.S. security assistance programs on building local capacity for law enforcement, strengthening rule of law institutions, and supporting drug demand reduction and anti-corruption campaigns in civil society. The United States will continue to coordinate closely

with European countries, and expand coordination efforts with Russia, Japan, and China to maximize available resources for narcotics and border control-related projects.

Turkey

I. Summary

Turkey is a major transit route for Southwest Asian opiates moving to Europe, and serves as a staging area for major narcotics traffickers and brokers. Refining of opiates continues in several locations in Eastern Turkey, and on both sides of Turkey's border with Iran. Turkish law enforcement organizations focus their efforts on stemming the traffic of drugs and intercepting precursor chemicals. The Turkish National Police (TNP), under Interior Ministry control, is responsible for security in large urban areas. The Jandarma, paramilitary forces under joint Interior Ministry and military control, is responsible for policing rural areas. The Jandarma is also responsible for specific border sectors where smuggling is common; however, the military has overall responsibility for border control. Turkish law enforcement cooperates closely with European and U.S. agencies. While most of the heroin trafficked via Turkey is marketed in Western Europe, some heroin and opium is also smuggled from Turkey to the U.S., but not in quantities sufficient to have a significant impact on the U.S. There is no appreciable cultivation of illicit narcotics in Turkey other than cannabis grown primarily for domestic consumption. There is no known diversion from Turkey's licit opium poppy cultivation and pharmaceutical morphine production program. Turkey is a party to the 1988 UN Drug Convention.

II. Status of Country

Turkey is a transshipment point for Afghan opiates moving towards Europe and Russia. Opium and morphine base from Afghanistan are also refined in Eastern Turkey and on both sides of Turkey's eastern border with Iran. Turkey is also a base of operations for international narcotics traffickers and associates trafficking in opium, morphine base, heroin, precursor chemicals and other drugs. Opium, morphine base, and heroin are smuggled from Afghanistan to Iran, and then smuggled from Iran through Turkey and ultimately to Western Europe. A small amount of opium and heroin is trafficked to the U.S. via Turkey. Turkish law enforcement agencies are strongly committed to disrupting narcotics trafficking. The Turkish National Police (TNP) remains Turkey's most proactive counternarcotics force, with the Jandarma and Customs continuing to play a significant role. Turkish authorities continue to seize large amounts of heroin and precursor chemicals. Given the scale of these seizures, it is likely that multi-ton amounts of heroin are smuggled through Turkey each month.

Turkey and India are the only two traditional licit opium-growing countries recognized by the USG and the International Narcotics Control Board (INCB). Opium for pharmaceuticals is cultivated and refined in Turkey under strict domestic controls and in accordance with all international treaty obligations, using a method of production which allows the plant to mature-the poppy is not incised, and the opium flow collected. There is no appreciable illicit drug cultivation in Turkey other than cannabis grown primarily for domestic consumption. Turkish law enforcement authorities continue to seize synthetic drugs that have been manufactured in Northern and Eastern European countries. The majority of the synthetic drug seizures have occurred as the drugs were being shipped through Turkey to other countries in the Middle East.

III. Country Actions Against Drugs In 2007

Policy Initiatives. The Government of Turkey (GOT) devotes significant financial and human resources to counternarcotics activities. Turkey continues to play a key role in Operation Containment (a DEA regional program to reduce the flow of Afghan heroin to Western Europe), as well as in other regional efforts. The Turkish International Academy against Drugs and Organized

Crime (TADOC), established under the Turkish National Police (TNP), continues to be a key agency leading the fight against drug abuse in Turkey. In 2004, TNP increased the number of drug training and prevention units it previously established in various provinces to cover most parts of Turkey. These units conducted intensive training programs for parents, teachers and students in these provinces, making a major contribution to the GOT's drug prevention efforts.

Accomplishments. TADOC organized 72 training programs for 748 local and regional law enforcement officers in 2007. A total of 27 programs for 441 foreign officers were held at TADOC in 2007, including officers from the Balkans, Tajikistan, Afghanistan, Jordan, United Arab Emirates, Montenegro, Kosovo, Azerbaijan, Macedonia, Malta, Germany, Gambia, Morocco, Egypt, Lebanon, Sudan, Guinea, and Pakistan. These training programs focused on drug law enforcement, intelligence analysis, illegal immigration and human smuggling, interview techniques, surveillance techniques, and antiterrorism training for judges and prosecutors. TADOC conducted training in several foreign countries, including Montenegro, Romania, Macedonia, Syria, and Yemen. TADOC also trained a total of 1,100 officers in computer-based training centers through Turkey in 2007.

Law Enforcement Efforts. Istanbul continues to serve as a transit point for large amounts of heroin being smuggled to Western Europe via the Balkan route. In April, the Turkish National Police seized 13 tons of acetic anhydride (AA) a precursor, which is used to make heroin. In October, the Jandarma arrested five people and seized 160 kg of AA from two vehicles. In November, TNP seized 88.5 kg from a vehicle and arrested a Bulgarian in Istanbul. January-October 2007 drug seizure statistics for Turkey are as follows:

Heroin	9,205 kg
Hashish	9,463 kg
Opium	569 kg
Cocaine	100 kg
Amphetamine (Captagon)	11,463,379 dosage units
Ecstasy	1,002,003 dosage units

Corruption. As a matter of government policy, Turkey does not encourage or facilitate illicit production or distribution of narcotic or psychotropic drugs or other controlled substances, or the laundering of proceeds from illegal drug transactions. Similarly, no senior level government official is alleged to have participated in such activities. Given the scale of drug movement in Turkey, it is likely that at least some of that movement is facilitated by corruption among enforcement personnel.

Agreements and Treaties. Turkey is a party to the 1988 UN Drug Convention, the 1971 UN Convention on Psychotropic Substances, and the 1961 UN Single Convention, as amended by the 1972 Protocol. Turkey is also a party to the UN Convention against Corruption and the UN Convention against Transnational Organized Crime and its protocols on migrant smuggling, trafficking in persons, and illegal manufacturing and trafficking in firearms. The U.S. and Turkey cooperate in law enforcement matters under a 1981 treaty on extradition and mutual assistance in legal matters.

Cultivation/Production. Illicit drug cultivation, primarily cannabis, is minor and has no impact on the United States. The Turkish Grain Board strictly controls licit opium poppy cultivation quite successfully, with no apparent diversion into the illicit market.

Drug Flow/Transit. Turkey remains a major route and staging area for the flow of heroin to Europe. Turkish-based traffickers and brokers operate in conjunction with narcotics smugglers, laboratory operators, and money launderers in and outside Turkey, who finance and control the smuggling of opiates to and from Turkey. Afghanistan is the source of all of the opiates reaching Turkey. Morphine base and heroin are smuggled overland from Afghanistan, sometimes through Pakistan, to Iran and then to Turkey. Opiates and hashish are also smuggled to Turkey overland from Afghanistan via Turkmenistan, Azerbaijan, and Georgia. Some criminal elements in Turkey reportedly have interests in heroin laboratories operating in Iran near the Iranian-Turkish border in ethnic Kurdish areas. In recent years, there appears to be more heroin arriving in Turkey as a finished product from Afghanistan, and to a much lesser extent from labs on both sides of the Turkish border with Iran. Turkish-based traffickers, some of whom are ethnic Kurds, control much of the heroin marketed to Western Europe. Turkish authorities reported an increase in synthetic drug seizures throughout Turkey beginning in 2005. Most of the amphetamine type stimulants (ATS) seized in Turkey is produced in Eastern Europe. Turkish law enforcement reports some synthetic drug production, primarily amphetamines such as Captagon (the brand name for fenethylline). Amphetamine production is a relatively new phenomenon in Turkey.

Demand Reduction. While drug abuse remains modest in scale in Turkey compared to other countries, the number of addicts using treatment clinics is increasing. Although the Turkish Government is increasingly aware of the need to combat drug abuse, the agencies responsible for drug awareness and treatment remain under-funded. Eight Alcohol and Substance Abuse Treatment and Education Clinics (AMATEM), which serve as regional and drug treatment centers, have been established. Due to lack of funds, only a couple of the centers focus on drug prevention as well as treatment. The most recent clinic was opened in Izmir in 2006, at a research hospital. The clinic opened in Ankara in 2004 serves as the countrywide coordinating center for drug and alcohol treatment and education. The Health Ministry has not conducted a drug abuse survey since 1995 due to lack of resources. The Ministry of Health was planning to conduct the European School Survey Project on Alcohol and Other Drugs (ESPAD) in 2007; however, objections from the Ministry of Education with regard to survey questions postponed this survey to 2008.

IV. U.S. Policy Initiatives and Programs

Policy Initiatives. In February 2007, the U.S. Government brought DEA trainers to Turkey to conduct a course for counternarcotics commanders, with 5 Turkish and 15 Afghan law enforcement officers. The goal of this project was to enhance the investigative abilities of both Turkish and Afghan investigators, to increase their willingness to cooperate internationally on joint cases, and to build relationships between the two countries' law enforcement agencies.

Bilateral Cooperation. DEA reports excellent cooperation with Turkish officials. Turkish counternarcotics forces are both professional and technically sophisticated.

The Road Ahead. U.S. will continue to try to strengthen Turkey's ability to combat narcotics trafficking, money-laundering and financial crimes.

Turkmenistan

I. Summary

Turkmenistan remains a transshipment route for traffickers seeking to smuggle contraband to Turkish, Russian and European markets from neighboring drug-producing countries, primarily Afghanistan. Turkmenistan is not a major producer or source country for illegal drugs or precursor chemicals.

The State Counternarcotics Coordination Commission (SCCC) at the Cabinet of Ministers is an inter-departmental body responsible for coordinating the activities of concerned government departments. The SCCC also coordinates counternarcotics assistance received from the international community. It has responsibility for overseeing implementation of the government's "National Program on Fighting Illegal Drug Trafficking and Assistance to Drug and Psychotropic Substance Addicts for 2006-2010." According to Government of Turkmenistan statistics, law enforcement officers seized a total of 1,417 kg of illegal narcotics in the first six months of 2007.

On June 22, 2007, at the Cabinet of Ministers meeting, newly-elected President of Turkmenistan Gurbanguly Berdimuhamedov stated that the fight against drugs is one of the priorities of the Government of Turkmenistan. Turkmenistan continues to increase cooperation with international organizations and diplomatic missions present in Turkmenistan; however, its law enforcement agencies are hampered by a lack of resources, training and equipment. Mounting evidence, together with increased contacts with government officials and non-governmental organizations, strongly suggests that domestic drug abuse is steadily increasing, although concrete statistics are not publicly available. Turkmenistan remains vulnerable to financial fraud and money laundering schemes due to its dual exchange rate. Turkmenistan is a party to the 1988 UN Drug Convention.

II. Status of Country

Turkmenistan remains a key transit country for the smuggling of narcotics and precursor chemicals. The flow of opiates from Afghanistan, such as heroin, opium and other opium-based drugs destined for markets in Turkey, Russia and Europe, enter Turkmenistan from Afghanistan, Iran, and Uzbekistan. Turkmenistan shares a rugged and remote 744-kilometer border with Afghanistan as well as a 992-kilometer boundary with Iran. Most of its illegal drug seizures occur along Turkmenistan's borders with Afghanistan and Iran. The bulk of the Government of Turkmenistan's law enforcement resources and manpower are directed toward stopping the flow of drugs from Afghanistan and Iran. Common methods of transporting illegal narcotics include concealment in cargo or passenger vehicles, deliveries by pedestrian carriers or animal transport, and in some cases by concealment in the body cavities or stomach of humans and animals. Turkmenistan's law enforcement efforts at the Turkmenistan-Uzbekistan border are focused more on interdicting smuggled commercial goods than on narcotics, thus providing an attractive transshipment route. Commercial truck traffic from Iran continues to be heavy, and Caspian Sea ferry traffic from Turkmenistan to Azerbaijan and Russia continues to be a viable smuggling route. On December 21, 2006, Turkmenistan's leader, Saparmurat Niyazov, passed away. Newly-elected President Berdimuhamedov on several occasions stressed the importance of countering the flow of narcotics. In June 2007, on the eve of International Day Against Drug Abuse and Illicit Drug Trafficking, President Berdimuhamedov stated that Turkmenistan should declare a large-scale war against drugs and counternarcotics efforts must continue until this threat is completely eradicated.

III. Country Actions Against Drugs in 2007

Policy Initiatives. In January 2007 during his presidential campaign, President Berdimuhamedov called on all citizens of Turkmenistan to fight drug trafficking and accentuated the importance of improving border security, customs and law enforcement capacities. About drug demand reduction, he encouraged civil society and public organizations to increase their role in raising awareness among youth. In April 2006, the government adopted a national multi-year plan for counternarcotics activities, the “National Program on Fighting Illegal Drug Trafficking and Assistance to Drug and Psychotropic Substance Addicts for 2006-2010” (2006-2010 National Drug Program). This program supersedes the SCA 2001-2005 National Drug Program, and includes: increased regional cooperation to prevent drug and precursor trafficking; prevention of drug-related crimes committed by minors; enhanced technology-based border security, enhanced training for law enforcement agencies to combat organized crime; increased counterterrorism efforts; and training on drug trafficking and money laundering. The national program also addresses drug demand issues. The plan has a research and treatment of drug addiction and HIV/AIDS component and includes a national survey on the spread of drug use and HIV/AIDS within target populations. The plan calls for the creation of drug abuse “hot lines.” The government specifically includes in the 2006-2010 program continued cooperation with U.S. government programs, as well as with international organizations and diplomatic missions. In August 2004, the government introduced a new draft criminal procedure code in an effort to transform the Soviet-era criminal justice process; the parliament has not yet adopted the new code. In September 2007, Turkmenistan hosted a Paris Pact Expert Round Table on the Caspian Sea and the Caucasus in which 16 countries and 13 international organizations participated. In his address to conference participants, President Berdimuhamedov stated that the decisive and uncompromising struggle against drugs is one of Turkmenistan’s priority issues.

Law Enforcement Efforts. Counternarcotics efforts are carried out by the Ministry of National Security (MNB), the Ministry of Internal Affairs (MVD), the State Customs Service (SCS), the State Border Guards Service (SBS), the State Agency for the Registration of Foreigners, and the Prosecutor General’s Office. The MNB’s primary responsibility is to interdict illegal drugs on the borders while the MVD deals with drug related crimes inside the country. The government continues to give priority to counternarcotics law enforcement, and President Berdimuhamedov has paid special attention to improving the technical capacity of the law enforcement agencies. For example, a military academy for MNB and SBS officers was opened, the MVD received new vehicles and equipment, and Customs started operating the mobile Vehicle and Cargo Inspection System (VACIS) that was purchased through a Chinese Government-provided grant. Law enforcement agencies with counternarcotics enforcement authority received equipment and training from the United States and international organizations. In 2007, members of diplomatic missions and international organizations were invited to witness three inter-agency drug destruction events. The government is enhancing border security efforts and plans started construction of a new border crossing station in Bekdash (on the Kazakh border) in 2007. The United States sponsored the construction of two new border crossing checkpoint facilities on the Iranian border in November 2006 and on the border with Afghanistan in August 2007. Construction of a third facility on the Turkmenistan-Uzbekistan border will commence soon. The EU is also planning on building a new checkpoint on the border with Uzbekistan. In January 2007, the European Commission and UN Central Asia Drug Action Program assisted in establishing a Drug Profiling Unit at Ashgabat’s International Airport by renovating an office and providing special equipment. The Customs Service solicited support from international and diplomatic missions to develop and improve a customs training facility. The U.S. and British governments are co-sponsoring a Customs-hosted interagency English language course to equip law enforcement officers with language skills requisite for participation in international conferences and training. Turkmenistan’s border forces are moderately effective in detecting and interdicting narcotics. The government reported that

1,417 kilograms of illegal narcotics were seized on Turkmenistan's borders during the first six months of 2007. The "Adalat" (Justice) weekly newspaper is the only local paper that occasionally publishes information on law enforcement agencies' activities related to illicit drug trade activities.

Corruption. In an effort to oversee law enforcement activities, President Berdimuhamedov established the State Commission on Reviewing Citizens Complaints Related to Law Enforcement Agencies Activities on February 19, 2007. The Commission reports directly to the President and monitors unlawful activities by law enforcement officials. The government does not encourage or facilitate illicit production or distribution of narcotic and psychotropic drugs or other controlled substances as a matter of government policy. However, law enforcement officials' low salaries, combined with their broad general powers, foster an environment in which corruption occurs. A general distrust of the police by the public, fueled by evidence of police officers soliciting bribes, indicates a problematic level of corruption in law enforcement. Payments to lower level officials at border crossing points to facilitate passage of smuggled goods frequently occur. Reports persist that senior government officials are directly linked to the drug trade. Stating that corruption is widespread in almost all units of the MVD—including in the departments working on economic crimes, organized crime and others—President Berdimuhamedov publicly accused MVD employees of corruption in October 2007. In 2007, President Berdimuhamedov fired and replaced two Ministers of Internal Affairs due to corruption.

Agreements and Treaties. Turkmenistan is a party to the 1988 UN Drug Convention, the 1961 UN Single Convention and its 1972 Protocol, and the 1971 UN Convention on Psychotropic Substances. Turkmenistan and the United States signed a letter of agreement for provision of U.S. government counternarcotics assistance in September 2001. In June 2007, the governments of Turkmenistan and Iran agreed to form a special joint committee to combat narcotics trafficking. The next month, the presidents of Turkmenistan and Afghanistan signed a joint communiqué noting the need to further develop their counternarcotics and counterterrorism cooperation. Also in July 2007, President Berdimuhamedov signed an agreement between Azerbaijan, Kazakhstan, Kyrgyzstan, Russia, Tajikistan, Turkmenistan, and Uzbekistan on the establishment of a UN-led Central Asian Regional Information and Coordination Center (CARICC). In September 2007, the Presidents of Turkmenistan and Kazakhstan signed a joint communiqué that acknowledged the need to further develop cooperation in counternarcotics and against psychotropic substances. In the same month, the United States signed the second Amendment to the Letter of Agreement for additional funding of U.S. counternarcotics assistance. Turkmenistan is a party to the UN Convention against Corruption, the UN Convention against Transnational Organized Crime, and its three protocols.

Cultivation/Production. Turkmenistan is not a significant producer of illegal drugs, although small-scale opium and marijuana cultivation is thought to occur in remote mountain and desert areas. Each spring, the government conducts limited aerial inspections of outlying areas in search of illegal poppy cultivation. Upon discovery, law enforcement officials eradicate opium crops. According to the State Counternarcotics Coordination Committee, law enforcement officials conduct Operation "Mak" ("Poppy") twice a year to locate and destroy poppy fields.

Drug flow/Transit. Turkmenistan remains a primary transit corridor for smuggling organizations seeking to transport opium and heroin to markets in Turkey, Russia and Europe, and for the shipment of precursor chemicals to Afghanistan. There are land, air and sea routes through Turkmenistan's territory. The government's efforts during 2007 to improve border crossing stations could lead to higher seizure rates or the opening of new trafficking routes if traffickers adapt. Turkmenistan's two major border control agencies, the SCS and the SBS, have received increased attention and funding for their drug enforcement duties. Systemic deficits in necessary equipment, training, resources, and facilities will take time to improve. Border crossing points with rudimentary inspection facilities for screening vehicle traffic and without reliable communications

systems have been identified by the Government of Turkmenistan and are being improved. However, Turkmenistan is likely to continue to serve as a major transit route for illegal drugs and precursors.

Domestic Programs/Demand Reduction. In his election campaign throughout January 2007, President Berdimuhamedov paid special attention to the problem of domestic drug addiction, calling it a “disaster for all mankind”. The President asserted that society, especially the elderly, should play a significant role in preventing youth from using drugs. Currently, the Ministry of Health operates seven drug treatment clinics: one in the capital of Ashgabat, one in Serdar city, and one in each of the five provincial administrative centers. Narcotics addicts can receive treatment at these clinics without revealing their identity and all clinic visits are kept confidential. Drug addiction is a prosecutable crime with jail sentences for convicted persons, although judicial officials usually sentence addicts to treatment. It is still difficult to obtain any statistical information about the number of drug addicts in Turkmenistan. However, President Berdimuhamedov reported in March 2007 that the number of crimes connected to drug addiction had increased. Although not yet implemented, the government is currently considering internationally funded prevention programs. A strategy for counternarcotics efforts and assistance to drug addicts is included within the framework of the 2006-2010 National Drug Program.

IV. U.S. Policy Initiatives and Programs

The Road Ahead. Staying engaged with all Turkmenistan’s counternarcotics enforcement agencies is necessary to encourage a successful effort against narcotics trafficking. The Department of Homeland Security, through U.S. Customs and Border Protection, has provided International Air Cargo Interdiction, International Rail Interdiction and International Border Interdiction Training to Turkmenistan law enforcement officials. Bilateral cooperation is expected to continue, and the U.S. government will expand counternarcotics law enforcement agency training at the working level. As both Turkmenistan and U.S. officials identify areas for improved counternarcotics efforts, the United States will provide an appropriate, integrated and coordinated response. The U.S. government also will encourage the government of Turkmenistan to institute long-term demand reduction efforts and will foster supply reduction through interdiction training, law enforcement institution building, the promotion of regional cooperation, and an exchange of drug-related intelligence.

Ukraine

I. Summary

Combating illegal narcotics is an important national priority for Ukraine, as both use of and the transit through Ukraine of illegal narcotics continue to increase. Coordination between law enforcement agencies responsible for counternarcotics occurs, but is adversely affected by regulatory and jurisdictional constraints. Ukraine's counternarcotics legislation is well developed and the government of Ukraine (GOU) is committed to keeping it current with the evolving threats. Ukraine has more than 80 intergovernmental and interagency agreements relevant to international narcotics coordination, many of which include specific provisions on combating illegal drug traffic and crime. Ukraine is a party to the 1988 UN Drug Convention.

II. Status of Country

Ukraine is not a major drug producing country; however, it is located astride several important drug trafficking routes into Western Europe, and thus is an important transit country. Ukraine's numerous ports on the Black and Azov seas, its extensive river transportation routes, its porous northern and eastern borders, and its inadequately financed and under-equipped border and customs agencies make Ukraine an attractive route for drug traffickers into the bordering European Union's profitable illegal drug market. Narcotics, primarily heroin, originating in Afghanistan moves through Central Asia to Russia, the Caucasus and Turkey, passes through Ukraine and on to Western Europe. Seizures of heroin in Ukraine increased significantly in 2007.

Domestic drug abuse continues to be focused on drugs made from narcotic plants (hemp and poppy) which account for approximately 85 percent of the total drug market in Ukraine, but the use of synthetic drugs and psychotropic substances, especially amphetamines, has been increasing rapidly over the past few years. Drugs consumed in Ukraine are either produced in Ukraine or supplied from Russia and Moldova (poppy straw, hemp, opium) and Poland, Hungary and the Netherlands (amphetamines, methamphetamines, MDMA also known as "Ecstasy"). Domestic use of narcotics continued to grow and the number of registered drug addicts in 2007 increased by 9.5 percent over 2006 to 171,617 (official statistic of the Ministry of Interior). However, according to the estimates of international and local NGOs, the total number of unregistered drug addicts range from 350,000 to 500,000. Relative to other European countries, this is still a low number; however, the rate of increase of drug abuse is high with Ukraine's rate of increase in drug abuse ranked sixth highest in Europe.

III. Country Actions Against Drugs in 2007

Policy Initiatives. Ukraine has well-developed counternarcotics legislation consistent with international standards. In 2006, the GOU continued to implement a comprehensive counternarcotics policy entitled "The Program Implementing the State Policy in Combating Illegal Circulation of Narcotics, Psychotropic Substances and Precursors for 2003-2010." The Program acknowledges the growing scale of drug abuse in Ukraine and the lack of adequate education and public awareness campaigns, community prevention efforts, and treatment and rehabilitation facilities. The Program is divided into two phases, the first of which occurred in 2003-2005, and the second of which is being implemented in 2006-2010 timeframe. Stage one included: improvement of legislation; monitoring and prevention of drug abuse and drug trafficking; interagency cooperation; creation of a modern interagency data bank; an increase in law enforcement capacity; scientific research; and setting up an interagency lab to research new drugs and discover new trends in drug trafficking. Stage two foresees integration into the European

information space and exchange of information on drug trafficking; strengthening of drug abuse prevention centers; introduction of new treatment practices; an increase in public awareness and education, especially in schools; further strengthening of law enforcement capacity; and full achievement of international standards.

To implement the plan for the second stage, these priorities were further split into 63 specific tasks and assigned to responsible agencies. The Program also provides estimates of future funding needed to support its implementation. The total estimate is over 300 million Ukrainian hryvnia (\$55 million). However, the GOU has not been able to fully fund the Program in previous years. For example, due to the lack of funds, the GOU has not provided funding for the Interagency Research Laboratory for Narcotics, Psychotropic Substances and Precursors proposed by the Ministry of Interior. As a result, Ukraine has no common database on illegal narcotics and the level of information sharing between Ukrainian government agencies is low.

The GOU has taken additional steps to update its counternarcotics laws, in particular strengthening control over the distribution of narcotic plants with the aim of preventing the “leakage” of this medical material on to the illegal market. The GOU has introduced amendments to make the non-prescribed use of strong and poisonous medications, like tramadol, illegal. In the last two years, the GOU drafted a framework law on the government policy for alcohol and narcotic drugs. The draft legislation was submitted to the parliament for review and adoption. The Narcotics Control Committee established in 2003 in the Ministry of Health continues to monitor the production and use of controlled substances by licensed companies and organizations. The rate of criminal offences in this sector, however, is insignificant.

The Ukrainian Government participates as a member or observer in several regional organizations, including the Organization of Black Sea Economic Cooperation (BSEC), GUAM (Georgia, Ukraine, Azerbaijan, and Moldova), and the South East Europe Cooperative Initiative (SECI). SECI allows Ukraine to coordinate, among other things, its counternarcotics law enforcement activities with the organizations’ member states. In the framework of GUAM, a virtual law enforcement center has been established in each member-state, including Ukraine, to share law enforcement information electronically, including information related to drug trafficking cases.

In 2007, Ukraine continued to implement the BUMAD (Belarus, Ukraine, and Moldova Anti-Drug) Program sponsored by the European Union. This project is designed to decrease drug trafficking in these three EU border countries. As part of the BUMAD Program, Ukraine is strengthening its potential to collect process and disseminate information on drug trafficking at both the national and the regional level. The BUMAD Program funded the establishment of a National Drug Observatory at the Ministry of Health in December 2006, to help collect, analyze and disseminate data on drugs at the national level, and share and improve comparability of this data at the regional level through the harmonization of key epidemiological and drug supply indicators. It will establish a permanent monitoring system for drug and drug abuse (non-confidential information) and will adhere to EU standards in the collection and compilation of the data.

Law Enforcement Efforts. In Ukraine, responsibility for counternarcotics enforcement is shared by the Ministry of Interior (MOI), with its domestic law enforcement function, and the Security Service of Ukraine (SBU), which deals with trans-border aspects of drug trafficking. The State Border Guard Service (SBGS) and the State Customs Service (SCS) carry out certain drug enforcement functions in their respective fields, mainly drug interdiction along the border and at ports of entry. In 2007, the Ukrainian Ministry of Interior seized almost 26 tons of various drugs, which is 16 tons more than in 2006. There was an increase in seizures of hemp (11.5 tons in 2007 compared to 3.5 tons in 2006) and poppy straw (13 tons in 2007 compared to 6 tons in 2006).

The Security Service focuses more on cross-border trafficking of hard drugs. In the first 8 months of 2007, the SBU seized 460 kilograms of heroin. The MOI and SBU continued to build

cooperative relationships with international counterpart agencies in Western Europe, Eurasia and America. Ukrainian law enforcement agencies paid increasing attention to the role of organized crime groups, utilizing informants, operational analysis, and controlled buys and deliveries as well as lead information supplied by their overseas counterparts to disrupt illegal narcotic activities. These changes in emphasis led to significant increases in the volume of drugs seized, for example: 174.5 kilos of heroin trafficked from Georgia by a Turkish national were seized by SBU in July 2007 in a coordinated operation with Turkish law enforcement authorities and the U.S. Drug Enforcement Administration; another 105 kilos of heroin transiting from Turkey were seized on Ukrainian territory by the SBU in November 2007.

Corruption. The GOU openly acknowledges that corruption remains a major problem in society, supported by a bribe-tolerant mentality, and the lack of law enforcement capabilities to investigate and prosecute corruption. The Ukrainian Government is considering formation of a stand-alone institution to prosecute corruption. In 2007, the press reported a number of investigations of law enforcement officers believed to be involved in or facilitating illegal narcotics transactions. Some experts warn that such practices may be much more widespread than is indicated by the few cases divulged in the press. As a matter of government policy, however, the GOU does not encourage or facilitate illicit production or distribution of narcotic or psychotropic drugs or other controlled substances, or the laundering of proceeds from illegal drug transactions.

Agreements and Treaties. Ukraine is a party to the 1988 UN Drug Convention, the 1961 UN Single Convention on Narcotic Drugs as amended by the 1972 Protocol, and to the 1971 UN Convention on Psychotropic Substances. The U.S.-Ukraine Mutual Legal Assistance Treaty came into force in February 2001. Ukraine has also signed specific counternarcotics project agreements with the UN Office of Drugs and Crime (UNODC). Ukraine is a party to the UN Convention against Transnational Organized Crime and its protocols against migrant smuggling and trafficking in persons. Ukraine has signed but has not yet ratified the UN Corruption Convention. The U.S. and Ukraine signed a Memorandum of Understanding on Law Enforcement Assistance in December 2002. This memo provided for State Department-funded assistance to Ukraine to strengthen its criminal justice system as well as to improve its effort against narcotic drugs. The memo has been amended annually to add funding and establish projects as agreed by Ukraine and the U.S.

Cultivation/Production. Opium poppy is grown legally in accordance with government regulation for medical use in western, southwestern, and northern Ukraine, while hemp cultivation is concentrated in the eastern and southern parts of the country. Small quantities of poppy and hemp are grown legally by licensed farms, which are closely controlled. The Cabinet of Ministers approved such cultivation in late 1997. Despite the prohibition on the cultivation of drug plants (poppy straw and hemp), many cases of illegal cultivation in small quantities by private households are regularly discovered.

Drug Flow/Transit. Heroin is trafficked from Afghanistan entering Ukraine mostly through Russia, the Caucasus and Turkey. Shipments are usually destined for Western Europe, and arrive by road, rail, or sea, which is perceived as less risky than air or mail shipment. Lately, experts note an increase in heroin traffic from Turkey into Ukraine by sea and further by land across Ukraine's western border into Western Europe. Experts believe that traditional Balkan drug trafficking routes have become saturated and criminals are looking for new traffic channels. Drug traffic from Asia is increasingly controlled by well-organized international criminal groups of Afghan, Pakistani, and Tajikistani origin that use citizens of the former Soviet republics as drug couriers. There is a steady increase in the use of minors and poor, aged or disabled individuals for moving large amounts of narcotics. Poppy straw and hemp are produced and consumed locally with the surplus exported to Russia, Belarus and Moldova. Conversely, these drugs are also trafficked into Ukraine from Russia and Moldova. The trafficking of synthetic drugs and psychotropic substances from Poland and

diversion of medical prescription drugs from Moldova is growing. Criminal groups of mixed origin (Ukrainian, Polish, Belarusian and Russian), that formed back in the 1990s and traditionally stayed away from drug trafficking, are increasingly taking up this lucrative niche. The price of these drugs (\$4 per gram of Ecstasy or ephedrine drugs to over \$8 per gram of amphetamines street prices) is lower than that of heroin and cocaine (\$22 and \$30 per gram respectively) and, therefore, the drugs are attractive to young addicts. Despite major efforts against drug trafficking, the GOU estimates that narcotics intercepted in Ukraine while en route to other destinations account for less than 30 percent of the total volume transiting Ukraine.

Domestic Programs/Demand Reduction. The number of registered drug addicts in Ukraine has for the past few years increased approximately 10 percent annually. In 2007, the number increased to 171,617 individuals from 156,509 in 2006, suggesting 37 addicts per 10,000 citizens. Various experts however estimate that the total number of drug addicts in Ukraine actually ranges from 350,000 to 500,000. Drug abuse is concentrated in the southern and eastern regions of Ukraine. Drug-related deaths over the last few years have averaged 1,000 per year, according to Ukrainian health authorities.

Marijuana and hashish is growing in popularity with young people, but opium straw extract remains the drug of choice for Ukrainian addicts. The popularity of this drug is due to its low cost (\$90 and \$260 per kilo of poppy straw and hemp respectively) and simple production methods. The use of synthetic drugs is also on the rise with young people, in particular ephedrine, Ecstasy (MDMA), LSD, amphetamines and methamphetamines. The spread of synthetic drugs is exacerbated by the rapid growth in local production. Illegal drug labs shut down in 2007 were primarily producing phentanyl, trimethylphenantyl, PCP (phencyclidine), amphetamine and MDMA.

Hard drugs, such as cocaine and heroin, are still too expensive for most Ukrainian drug users. In recent years, Ukraine has seen the growing illegal use of the legal, but restricted prescription medical drug Tramadol. Legal medical needs of Ukraine for this drug are estimated to be 4 million pills per year, while the Ukrainian pharmaceutical industry produces 25 times that quantity leading many to believe that a significant percentage of the production of this legal prescription drug is being misused. The GOU's ability to effectively combat narcotics trafficking and the illegal use of drugs continues to be hampered by inadequate law enforcement budgets. Ukrainian officials, however, are working to reduce the demand for illegal drugs by introducing preventive measures at all levels of the education system, since most Ukrainian drug abusers are under the age of 30. Drug information centers have been opened in the cities and regions with the highest levels of drug abuse. NGOs operating with funding assistance from international organizations are running a number of rehabilitation programs throughout the country. Ukrainian medical and law enforcement authorities conduct conferences and seminars to raise awareness of and reduce drug abuse in Ukraine.

There is a rapidly growing HIV/AIDS epidemic in which injecting drug use is the primary mode of transmission of HIV through behaviors such as syringe sharing. The World Health Organization, UN Office of Drugs and Crime (UNODC) and UNAIDS have recommended that drug substitution maintenance treatment programs using methadone and buprenorphine be integrated into national HIV/AIDS programs in order to support access to and adherence to antiretroviral treatment and medical follow up. Since 2004, the GOU has implemented pilot substitution maintenance treatment programs using buprenorphine. The GOU has also committed through its Global Fund Round 6 Grant to incorporate the significantly less expensive and at least as effective opiate substitute methadone into substitution maintenance treatment programs. Fully incorporating methadone into its national HIV/AIDS program is critical to curbing Ukraine's burgeoning HIV/AIDS epidemic.

IV. U.S. Policy Initiatives and Programs

Bilateral Cooperation. U.S. objectives include assisting Ukrainian authorities to develop effective counternarcotics programs in interdiction (particularly of drugs transiting the country), investigation, and demand reduction, as well as to assist Ukraine in countering money laundering. Officers from the DEA have conducted a number of training courses funded by the Department of State in the areas of drug interdiction at seaports and advance drug investigation techniques. DEA has established a good working relationship with both the MOI and SBU, and the training programs have helped. The USG, through a variety of projects, is also assisting the Ukrainian State Border Guard Service to strengthen its capability to control Ukraine's borders, including by helping it develop Risk Assessment and Criminal Analysis capabilities that are compliant with European Union norms in order to more accurately target and suppress threats, including narcotic trafficking, along its approximate 7,000 kilometer border.

The Road Ahead. Trafficking of narcotics from Asia and cocaine from Latin America to European destinations through Ukraine is on the upswing as drug traffickers look for new ways to circumvent Western European customs and border controls. Synthetic drugs trafficked from countries of Eastern Europe or produced locally are also a growing concern. Demand reduction and treatment of drug abusers remains a challenge requiring close attention. However, the largest challenge remains the limited budget resources to fund law enforcement efforts to investigate and interdict sophisticated, international trafficking rings that see Ukraine as a transit point to lucrative Western European markets, especially for heroin.

United Kingdom

I. Summary

The United Kingdom (UK) is a consumer country of illicit drugs. Like other developed nations, the UK faces a serious domestic drug problem. The UK is in the final year of a 10-year drug strategy launched in 1998 to address both the supply and demand aspects of illegal drug use. The UK strictly enforces national precursor chemical legislation in compliance with EU regulations. Crime syndicates from around the world try to exploit the underground narcotics market and use the UK as a major transshipping route. The UK is a party to the 1988 UN Drug Convention.

II. Status of Country

Home Office figures for England and Wales compiled as part of the 2006/07 British Crime Survey (BCS), indicate that there have been few changes in drug use between 2005/06 and 2006/07. Cannabis remains the most-used illicit drug in the UK, predominantly in the 16-24 age group; cocaine is the next most commonly used drug, closely followed by Ecstasy and amphetamines. Virtually all parts of the UK, including many rural areas, confront the problem of drug addiction to at least some degree. The BCS estimated that nearly 2.8 million adults in England and Wales had used cannabis in the previous year. Government data suggests that 25-35 tons of heroin and 35-45 tons of cocaine enter the UK each year. Overall use of any illicit drug by 16-59 year olds is at its lowest level since the BCS started measurement (10.0 percent in 2006/07) mainly due to declines in the use of cannabis (the most prevalent drug among 16-59 year olds) since 2003/04. Between 2005/06 and 2006/07 overall use of any illicit drug among 16-59 year olds has remained stable although there has been a significant decrease in the overall use of hallucinogens as a result of a decline in use of magic mushrooms.

The 2006/07 BCS shows that the use of Class A drugs among the 16-59 age range has increased since 1997 from 2.7 per cent to 3.4 per cent. (Illegal drugs in the UK are characterized by their level of harm, and sanctioned accordingly. Class A drugs include cocaine, Ecstasy, LSD, magic mushrooms, heroin and methadone and methamphetamine. Amphetamines can be either Class A or B, depending on whether they are injected or swallowed. Class C drugs include tranquillizers, anabolic steroids, cannabis and Ketamine.) The increase in overall Class A use is largely due to a significant rise in cocaine powder use between 1997 and 1999. Since 1999, there has been a further increase in cocaine powder use but the use of LSD has decreased and overall Class A drug use has been stable. In 2006/07 eight per cent of 16-24 year olds reported use of any Class A drug in the past year. However, Class A drug use, as measured by the BCS, amongst 16-24 year olds has remained stable since 1997.

Frequent use of any illicit drug in the past year by 16- 24 year olds has decreased from 11.6 per cent in 2002/03 to 8.3 per cent in 2006/07. Police recorded drug offenses increased by nine per cent in 2006/07 compared with 2005/06. Increases in recent years have been largely attributable to increases in the recording of possession of cannabis offenses. From 2005/06 to 2006/07, possession of cannabis increased by nine per cent, which followed an increase of 36 per cent over the previous year. The increases coincided with rises in the number of formal warnings for the possession of cannabis that were issued by the police. In 2006/07 the rise in formal warnings for cannabis possession was nearly double the increase in the number of offenses of cannabis possession and indicates the greater use of this method of disposal by the police. The increase in possession of other drugs was 12 per cent in 2006/07, compared with the previous year. Historically, drugs have been linked to about 80 percent of all organized crime in London, and about 60 percent of crime overall.

III. Country Actions Against Drugs in 2007

Policy Initiatives/Accomplishments. UK counternarcotics policies have a strong social component, reflecting the widely held view that drug problems do not occur in isolation, but are often linked to other social problems. In 2007, the British government continued its 10-year strategy program, launched in 1998, which emphasizes that all sectors of society should work together to combat drugs. Trends in responding to drug abuse with government programs reflect wider UK government reforms in the welfare state, education, employment, health, immigration, criminal justice, and economic sectors. The UK's counternarcotics strategy focuses on Class A drugs and has four emphases: to help young drug abusers resist drug misuse; to protect communities from drug-related, antisocial and criminal behavior; to enable people with drug problems to recover and live healthy, crime-free lives; and to limit access to narcotics on the streets. Key performance targets were set in each of these four areas and updated in the 2002 drug strategy.

The most controversial aspect of the updated strategy was the decision to downgrade cannabis to a Class C drug. Class C categorization reduced the maximum sentence for possession of cannabis from five to two years in prison. There is now a presumption against arrest for adults for possession, though not for young people. Maximum penalties for supplying and dealing remain at 14 years. Notwithstanding this amendment, the UK government has emphasized that it continues to regard cannabis as a harmful substance and has no intention of either decriminalizing or legalizing its production, supply or possession. Prime Minister Gordon Brown requested a review of the reclassification in 2007, although no recommendations have been made yet. Police chiefs have reportedly urged that, if cannabis is upgraded to Class B, that fixed penalties be established to streamline enforcement. Despite an aggressive government education campaign aimed at cannabis users, some police authorities report a lack of understanding on the part of offenders that the drug remains illegal and that they can be detained or prosecuted for possession or dealing. As of 2007, BCS statistics showed that the proportion of 16-24 year olds using cannabis decreased from 28 percent 10 years ago to 21 percent now.

In 2006, the Advisory Council on the Misuse of Drugs (ACMD) examined new evidence regarding the reclassification of methamphetamine from a Class B to a Class A drug. In light of the new evidence presented, the ACMD wrote an open letter to the Home Secretary recommending the higher classification. The Home Secretary has accepted this recommendation and reclassification went into effect at the beginning of 2007. Reclassification put methamphetamine into the same category as cocaine and opiates. The change has lengthened penalties to seven years in prison or an unlimited fine for possession, and up to life in prison for dealing.

Direct annual government expenditures under the updated overall drug strategy increased five percent between 2005/06 and 2006/07, from \$2.78 billion (GBP 1.483 billion) to \$2.94 billion (GBP 1.567 billion). The most recent program specific data shows drug treatment expenditures are targeted to increase £478m in 2007/08. Likewise, expenditures on programs for young people will rise 5 percent and funding for reducing supply will hold steady at \$673 million (GBP 380 million). The largest increase will come in spending on community programs (24 percent).

The Drugs Act of 2005 strengthened police powers in drug enforcement. The law allows for drug tests on arrest, rather than on charge, and requires persons with a positive test to undergo further assessment. It also amended the Anti-Social Behavior Act of 2003 to allow authorities to enter a suspected crack house to issue a closure notice. Under provisions of the Act, "magic mushrooms" were upgraded to Class A in 2005. Prior to this change in the law, only prepared (such as dried or stewed) magic mushrooms were rated as Class A drugs. Laws that took effect in 2000 required courts to weigh a positive Class A test result when deciding bail, which may be denied or restricted if an offender refuses a test or refuses treatment after a positive test. The testing requirement also is

applied to offenders serving community sentences and those on parole. A Drug Rehabilitation Requirement (DRR) is one of the 12 requirements which can be included in a community sentence. DRRs can be used instead of custody. They offer the Courts an intensive and effective vehicle for tackling the drug misuse and offending of many of the most serious and persistent drug misusing offenders.

The UK is a member of the Dublin Group, a group of countries that coordinate the provision of counternarcotics assistance and is a UNODC Major Donor.

Law Enforcement Efforts. The UK gives a high priority to counternarcotics enforcement and the United States enjoys good law enforcement cooperation with the UK. The UK honors U.S. asset seizure requests, and was one of the first countries to enforce U.S. civil forfeiture judgments. The Proceeds of Crime Act, which took effect in 2003, has significantly improved the government's ability to track down and recover criminal assets. Home Office's data indicates the total amount recouped by all agencies involved in asset recovery in England, Wales and Northern Ireland was £125million in 2006/2007. This represents a five-fold increase over five years. The Assets Recovery Agency Annual Report shows that it met or exceeded all of its key disruption and enforcement targets. The average purity of cocaine seized by the police has fallen from 55.1 percent in 2001 to 30.2 percent in 2006. Heroin was the most commonly seized Class A drug followed by cocaine. There were 105,570 drug offenses recorded in England and Wales in 2004 (the latest full year data available), a 21 percent decline from the 133,970 offenses recorded in 2003. Class A offenses rose by two percent to 36,350. Heroin offenders were the largest group of known Class A drug offenders, accounting for 13 percent of all known offenders in 2004. The vast majority of persons convicted or cautioned for drug offenses were charged with possession. About 85 percent of persons dealt with in the courts for drug offenses were male. Possession offenses tend to be committed by younger people (53 percent committed by those under the age of 25) while 61 percent of the producing/exporting/importing offenses were committed by persons over age 30 and 60 percent of dealing offenses were committed by persons over age 25.

Corruption. As a matter of government policy, the UK does not encourage or facilitate illicit production or distribution of narcotic or psychotropic drugs or other controlled substances, or the laundering of proceeds from illegal drug transactions.

Agreements and Treaties. The UK is a party to the 1988 UN Drug Convention, the 1961 UN Single Convention on Narcotic Drugs as amended by the 1972 Protocol, and the 1971 UN Convention on Psychotropic Substances. In 2006, the UK ratified the UN Corruption Convention and the UN Convention against Transnational Organized crime and its protocols against trafficking in persons and migrant smuggling. The U.S. and the UK have a Mutual Legal Assistance Treaty (MLAT), and a narcotics agreement, which the UK has extended to some of its dependencies. In 2006, the U.S. Senate ratified a new extradition treaty with the UK; the exchange of instruments of ratification occurred in May 2007. The U.S. and the UK also have a judicial narcotics agreement and an MLAT relating to the Cayman Islands, which extends to Anguilla, the British Virgin Islands, Montserrat, and the Turks, and Caicos Islands. The U.S.-UK Customs Mutual Assistance Agreement (CMAA) dates from 1989. In 2005, the UK signed an updated U.S. Coast Guard Law Enforcement Detachment (LEDET) Memorandum of Understanding with the USG. This includes the airborne use of force (AUF) capability on Royal Navy and auxiliary vessels attempting to stop noncompliant drug smuggling go-fast vessels, as well as expanding the authorization to carry LEDETS in waters beyond the Caribbean and Bermuda areas of operations, subject to the consent of both parties. In 2006, USCG LEDETS deployed on British ships seized over 10,000 pounds of cocaine.

Cultivation/Production. Cannabis is cultivated in limited quantities for personal use, and occasionally sold commercially. Between mid-2004 and January 2007, over 2000 cannabis

factories were discovered in the UK, predominantly run by Vietnamese criminals. Cannabis cultivation overseas is imported into the UK from Europe both in bulk by serious organized criminals, sometimes in mixed loads alongside Class A drugs. Crack cocaine is rarely imported, but is produced in the UK from cocaine powder. Almost all of the Ecstasy consumed in the UK is manufactured in the Netherlands or Belgium, but tabletting sites have been found in the north of England. Most illicit amphetamines and MDMA (Ecstasy) are imported from continental Europe, but some are manufactured in the UK in limited amounts. Authorities destroy crops and clandestine facilities as they are detected. U.S. authorities have been concerned about a growing incidence of production of a “date rape” precursor drug, GBL. While the UK government made the “date rape” drug GHB illegal in 2003, GBL remains uncontrolled. DEA has asked the UK to control GBL and the UK is active in EU-wide discussions on control of this substance. Several small clandestine methamphetamine laboratories have been seized in the UK with law enforcement starting to embrace awareness training and strategic planning.

Drug Flow/Transit. The UK is one of the most lucrative markets in the world for traffickers in Class A drugs and is targeted by a wide range of criminals. In terms of the scale of serious organized criminal involvement, drug trafficking, especially Class A drugs, poses the single greatest threat to the UK. London, Birmingham, and Liverpool are known to be significant centers for the distribution of all types of drugs. Steady supplies of heroin and cocaine enter the UK. Some 90 percent of heroin in the UK (amounting to 25-35 tons a year) comes from Afghanistan. Most of the supply to Europe is processed in Turkey.

The primary trafficking route to the UK is overland from Afghanistan to Europe (the ‘Southern/Western’ route), transiting Iran. It is estimated that 70 percent of the UK’s heroin supply transits Iran, either directly from Afghanistan or via Pakistani Baluchistan. From Iran the opiates are moved to Turkey. UK-based Turkish criminal groups handle a significant amount of the heroin eventually imported into the UK, although Turkish criminals in the Netherlands and Belgium also channel heroin to the UK. Pakistani traffickers also play a significant part; most of the heroin they import, normally in small amounts by air couriers traveling directly from Pakistan, is destined for British cities with large South Asian populations. Approximately 25 percent of Afghan heroin seized in the UK arrives directly from Pakistan.

It appears that traffickers with ethnic connections to Turkey continue to dominate the supply of heroin to the UK. Caribbean criminals (primarily West Indians or British nationals of West Indian descent) are involved in the supply and distribution of heroin as well as cocaine. Most heroin probably enters the UK through ports in the southeast, although some enters through major UK airports with links to Turkey, Northern Cyprus, and Pakistan. Average purity has increased since mid 2003, while average street prices have fallen consistently, from £70 per gram in 2000 to £54 in 2005. Cocaine imports are estimated at 25-40 tons a year and emanate chiefly from Colombia, although there is also cultivation in Bolivia and Peru. An estimated 65-70 percent of the cocaine in the UK market is believed to be produced in Colombia. Supplies of both cocaine and crack cocaine reach the UK market in a variety of ways.

The main method of moving cocaine from South America to Europe is in bulk maritime shipments on merchant vessels and yachts from Colombian and Venezuelan ports to the Iberian Peninsula. Importations of small quantities are becoming more frequent which may indicate a trend towards ‘little and often’ importations. Around 75 percent of cocaine is thought to be carried across the Channel from consignments shipped from Colombia to continental Europe and then brought to the UK concealed in trucks or private cars, or by human couriers or “mules.” Traffickers based in South America, Mexico, Spain, and the UK organize this smuggling. Other information also suggests that cocaine is smuggled into the UK via West Africa. Britain is a charter member of the Maritime Analysis and Operations Center-Narcotics (MAOC-N) in Lisbon, which should bolster EU capacity to protect its southwestern flank

The Caribbean, chiefly Jamaica, is a major transshipment point for cocaine to the UK from Colombia. Cocaine comes in both by airfreight and by couriers, usually women, who attempt to conceal internally (i.e., through swallowing in protective bags) up to 0.5 kg at a time. Over the past five years, the purity of cocaine and crack at street level has fallen. The use of chemicals (such as phenacetin), bulking agents, and effect enhancing adulterants to cut cocaine and crack help traffickers compensate for any shortages in the cocaine supply. Further afield, there are some indications that the saturation of the U.S. cocaine market, potentially higher profits, and fear of extradition to the US, may be encouraging Mexican criminal groups to target the European market.

A synthetic drug supply originates from Western and Central Europe; amphetamines, Ecstasy, and LSD have been traced to sources in Belgium, the Netherlands, and Poland, although some originates in the UK. The makers rely heavily on precursor chemicals made in China. In a newly identified transit trend, khat (the plant's fresh leaves and tops are chewed or, less frequently, dried and consumed as tea, in order to achieve a state of euphoria and stimulation) is being imported to the UK from East African nations. Khat is not controlled in the UK, but its stimulant component, cathinone, is a Schedule I controlled substance in the U.S. Estimates for 2006, put the khat importation levels to the UK at approximately 120 tons per month. Several areas in the U.S. are increasingly seeing khat, and DEA has identified several links between U.S. khat seizures and the UK. Hashish comes to the UK primarily from Morocco.

Domestic Programs/Demand Reduction. The UK's government's demand reduction efforts focus on school and other community-based programs to educate young people and to prevent them from ever starting on drugs. In 2003, the government launched a multimedia national drug awareness campaign called "FRANK." FRANK offers help and advice to anyone who may be affected by drugs. Over the last four years FRANK has averaged 506,288 calls to its help line and 518,246 hits on its website.

The UK now has drug education programs in all schools, supported by a certificate program for teachers. In 2005, the Department for Education and Skills linked FRANK to its "Every Child Matters" education programs to assure regular reviews for effectiveness. A similar information and support program called "Know the Score" operates in Scotland. "Positive Futures," a sports-based program started in 2000 to specifically target socially vulnerable young people, has served over 80,000 young people since its inception with 108 projects established in regions throughout the country. In 2006, the program was handed over to a national charity, Crime Concern. The contract will run through March 2008. The charity hopes to use the heightened interest in sports generated by London's successful 2012 Olympics campaign to promote its agenda.

The UK has rapidly expanded treatment services and has met the target of doubling the number of drug users in treatment two years ahead of the target date; current figures show that over 181,000 people are now receiving treatment. The so-called "pooled treatment budget" administered by the Home Office and the Department of Health is targeted to increase from \$448 million (GBP 253 million) nationally in 2004/05 to \$847 million (GBP 478 million) by 2007/08. Also, a strategic capital bidding program from 2007/08 was announced in 2006. A total of GBP 54.9 million has been made available with a view to improving and expanding in-patient drug treatment and residential rehabilitation for drug abusers, while improving commissioning for these services. Additional services are provided through the National Health Service.

According to the National Treatment Agency (NTA) there are approximately 10,000 registered drug treatment workers as of 2007. The average waiting time for treatment is under 1 week for the first intervention, with a goal of 85 percent of individuals within three weeks. This is a drastic decrease from the average time of 2.4 weeks in 2002. According to the latest available figures, the number of deaths related to drug poisoning in England rose from 1415 in 2004 to 1506 in 2005.

This is an increase of nearly 8 per cent compared with 2004. This figure is still lower than in 2000—the year with the highest recorded number of deaths, at 2967.

Crime and Disorder Reduction Partnerships (CDRPs) were set up under the Crime and Disorder Act 1998 and are, in most cases, coterminous with local authority areas. They include representatives from police, health, probation and other local agencies and provide strategies for reducing crime in the area. As of 1 April 2006 (and therefore for the reporting year 2006-07) there were 373 CDRPs in England and Wales. In Wales, the 22 CDRPs have changed to Community Safety Partnerships (CSPs) to reflect their new identity subsequent to merging with Drug and Alcohol Action Teams. Recorded crime figures for seven key offenses for each CDRP are published on the Home Office website.

IV. U.S. Policy Initiatives and Programs

The Road Ahead. The United States looks forward to continued close cooperation with the UK on all counternarcotics fronts. The UK provides Royal Navy warships and auxiliary vessels to operate under the tactical control of Joint Interagency Task Force South to support efforts to stop the flow of narcotics in the Caribbean and Eastern Pacific. A Royal Navy Liaison Officer, seconded to the JIATF South staff, also assists in coordinating UK support to JIATF South counternarcotics operations. The U.S. Drug Enforcement Administration's London Country Office (LCO) continues to maintain a robust exchange of information and training initiatives with several UK law enforcement agencies regarding the threat from methamphetamine. Although not viewed to be in any significant use in the UK at this time, UK law enforcement has acknowledged the potential threat that methamphetamine and its capacity for “domestic production” pose.

The LCO has arranged for DEA “clandestine laboratories” training for the Serious Organized Crime Agency (SOCA) and the Metropolitan Police Services (MPS/New Scotland Yard). This training program instructs law enforcement officers in the safe and efficient manner of identifying and dismantling illicit methamphetamine laboratories, and prosecuting the criminals involved.

Uzbekistan

I. Summary

Uzbekistan is primarily a transit country for opiates originating in Afghanistan. Well-established trade routes facilitate the transit of these narcotics to Russia and Europe. There is a growing market for a variety of intravenously administered narcotics and consequently a growing problem with drug addiction and the spread of HIV/AIDS. The Government of Uzbekistan (GOU) has taken some independent steps to combat the narcotics trade but still relies heavily on multilateral and bilateral financial and technical resources. Law enforcement officers seized approximately 1,105 kilograms of illegal narcotics in the first six months of 2007. Uzbekistan is a party to the 1988 UN Drug Convention.

II. Status of Country

While there is no significant drug production in Uzbekistan, several transshipment routes for opium, heroin, and hashish originate in Afghanistan and cross Uzbekistan for destinations in Russia and Europe. In 2006, drug seizures increased approximately 47 percent from 2005. Seizures for the first half of 2007 were in turn up more than eight percent from the same time period in 2006, according to official statistics. The GOU attributes the rise in seizures to increased narcotics production in Afghanistan and more effective counternarcotics operations by Uzbek law enforcement agencies. Precursor chemicals have, in the past, traveled the same transshipment routes in reverse on their way to laboratories in Afghanistan and Pakistan. Export of precursor chemicals, including acetic anhydride, has been controlled in Uzbekistan since 2000. There have been no reported seizures of precursor chemicals in Uzbekistan since 2001. According to official statistics, as of November 2007, only six export permits have been issued, none to Afghanistan, for chemicals that can be used in the manufacture of narcotics. Effective government eradication programs have eliminated nearly all the illicit production of opium poppies in Uzbekistan.

III. Country Actions Against Drugs in 2007

Policy Initiatives. The United States and Uzbekistan continued limited counternarcotics cooperation in 2007 under the 2001 U.S.-Uzbekistan Narcotics Control and Law Enforcement Agreement and its amendments. These agreements provide for U.S. assistance to Uzbekistan, and are typically amended in the years following their first negotiation to increase assistance levels to ongoing programs, or to agree to begin new assistance programs. The agreements have established the framework to support projects designed to enhance the capability of Uzbek law enforcement agencies in their efforts to fight narcotics trafficking and organized crime. No new amendments have been signed since 2004. However, the U.S. Embassy in Uzbekistan is exploring the possibility of resuming counternarcotics and border security cooperation through the bilateral Law Enforcement and Security Assistance Working Group, which was established in 2007. The Uzbek criminal justice system continues to suffer from a lack of modernization and reform, mainly judicial and procedural reform, and standards remain below international norms. The Uzbek criminal justice system is largely inherited from the Soviet Union. The Executive Branch and Prosecutor General's Office are powerful entities, and the judiciary is not independent. The outcomes of court cases are usually predetermined, and conviction rates approach 100 percent. Prosecutions often rely on coerced confessions by the defendants, and conviction is typical even in the absence of evidence. Corruption at all levels of the criminal justice system is rampant.

Accomplishments. Uzbekistan continues to work toward the goals of the 1988 UN Drug Convention on combating illicit cultivation and production within its borders. The annual "Black

Poppy” eradication campaign has been very successful and has virtually eliminated illicit poppy cultivation. As of November 2007, the annual operation has eradicated a very modest 2.5 hectares of drug production crops. However, authorities note that the aging helicopter fleet used in this operation is increasingly difficult to maintain. Efforts to achieve other convention goals are hampered by the lack of effective laws, programs, money, appropriate international agreement, and coordination among law enforcement agencies. The UN Office on Drugs and Crime (UNODC) is continuing its efforts to implement projects focusing on improvements in law enforcement, precursor chemical control, and border security. The State Department, through the Bureau of International Narcotics and Law Enforcement Affairs (INL), continues to provide financial support for several UNODC-implemented projects.

Law Enforcement Efforts. Preliminary statistics provided by the GOU show that in the first half of 2007, Uzbek law enforcement seized a total of 1,105 kgs of illicit drugs. Opium accounted for 53 percent of the total, cannabis 18 percent, heroin 14 percent, kuknara 10 percent, and hashish five percent. In 2006, there were 8,364 criminal cases pertaining to narcotics, including 242 arrests for drug smuggling. Through the first three quarters of 2007 there have been 7,328 narcotics-related criminal cases, including 225 for drug smuggling.

Three agencies with separate jurisdictions have counternarcotics responsibilities: the Ministry of Internal Affairs (MVD), the National Security Service (NSS), and the State Customs Committee. The MVD concentrates on domestic crime, the NSS (which now includes the Border Guards) handles international organized crime (in addition to its intelligence role), and Customs works at the border (interdiction/seizures at the border are also carried out by the Border Guards during their normal course of duties). Despite this apparently clear delineation of responsibilities, a lack of operational coordination diminishes the effectiveness of counternarcotics efforts. The National Center for Drug Control was designed to minimize mistrust, rivalry and duplication of effort among the agencies, but the Center continues to have difficulty accomplishing this goal.

In 2007, training and equipment were provided to the State Customs Committee under U.S.-Uzbekistan counternarcotics-related bilateral agreements. The U.S. DEA previously supported a Sensitive Investigation Unit (SIU) within the Ministry of Internal Affairs, which became operational in 2003. However, in March of 2007, DEA was forced to suspend its operations in Uzbekistan when visas for DEA personnel were not renewed. The DEA is anxious to return and support the GOU’s counternarcotic mission.

According to National Center reports, most smuggling incidents involve one to two individuals, likely backed by a larger, organized group. Resource constraints have limited the GOU’s ability to investigate these cases. In general, information that has been gathered suggests smuggling rings are relatively small operations. These rings tend to be located on the border between Uzbekistan and Tajikistan, where poor border controls allow group members to cross between the countries with relative ease. Government sources indicated that drug smuggling activities along the Turkmen-Uzbek border are not significant. Lack of training and equipment continues to hamper all Uzbek agencies. Basic necessities, even replacements for aging Soviet era equipment, remain in short supply or seem administratively impossible. Uzbekistan has relied heavily on international assistance from UNODC, the U.S., the UK, and other countries to supplement their own thinly-funded programs. In 2007 UNODC continued its cooperation with the GOU. However, since 2005, the GOU has increasingly stepped back from cooperating with the United States and some European Union-member countries. As a result, international counternarcotics assistance to Uzbekistan has become significantly more difficult.

Corruption. As a matter of policy the GOU does not encourage or facilitate illicit production or distribution of narcotic or psychotropic drugs or other controlled substances. However, corruption is endemic at all levels of government, and the paying of bribes is an accepted practice. There are

anecdotal accounts of drug traffickers bribing customs and border officials to ignore narcotics shipments. It is likely that some government officials are involved with narcotics trafficking organizations.

Agreements and Treaties. Uzbekistan is a party to the 1988 UN Drug Convention, the 1971 UN Convention on Psychotropic Substances, and the 1961 UN Single Convention as amended by the 1972 Protocol. Uzbekistan is also a party to the UN Convention against Transnational Organized Crime and has signed but not ratified the protocol on Migrant Smuggling. Uzbekistan signed the Central Asian Counternarcotics Memorandum of Understanding with the UNODC, and in 2006 formally agreed to the establishment of a Central Asian Regional Information and Coordination Center (CARICC) to coordinate information sharing and joint counternarcotics efforts in Central Asia, although the Center is not yet operational. Kazakhstan, the Kyrgyz Republic, Tajikistan, and Uzbekistan signed an agreement in September 1999 on cooperation in combating transnational crime, including narcotics trafficking. The five Central Asian countries, as well as Azerbaijan, Georgia, Iran, Pakistan, and Turkey, are members of the Economic Coordination Mechanism supported by the UNODC. The GOU has also signed agreements on increased counternarcotics cooperation in 2006 in the context of its membership in the Shanghai Cooperation Organization and the Collective Security Treaty Organization. However, to date, these agreements appear to have resulted in few tangible results.

Cultivation/Production. “Operation Black Poppy” has all but eliminated illicit opium poppy cultivation in Uzbekistan. Authorities log between 600-800 hours of flying time in the course of the annual operation.

Drug Flow/Transit. Several major transnational trade routes facilitate the transportation of opiates and cannabis from Afghanistan through Uzbekistan to Russia and Europe. The border crossing point at Termez remains a point of concern as, in the past narcotics have been discovered in trucks returning to Uzbekistan after delivering humanitarian aid into Afghanistan, as well as on trains coming from Tajikistan. However, a UNODC-implemented border security project at the road and rail crossing has resulted in improved control over the border crossing with Afghanistan, and a new INL-funded UNODC project will focus on improving the control regime at the river port. While humanitarian aid and other cargo crossing the border from Uzbekistan to Afghanistan has dropped since 2004, Uzbek authorities report that approximately 1,000 containers cross from Uzbekistan to Afghanistan daily via railroad. The contents are generally not searched, and Uzbeks have requested scanning equipment to help ensure that contraband, including precursor chemicals, do not reach Afghanistan. Uzbek officials report one significant drug seizure along the Afghan border in 2007 when an Afghan citizen attempted to swim across the Amu Daryo River with 32 kilograms of opium concealed in a vehicle tire. The National Center and UNODC report that trafficking also continues along traditional smuggling routes and by conventional methods, mainly from Afghanistan into Surkhandarya Province and from Afghanistan via Tajikistan and the Kyrgyz Republic into Uzbekistan. The primary regions in Uzbekistan for the transit of drugs are Tashkent, Termez, the Ferghana Valley, Samarkand and Syrdarya.

Domestic Programs. According to the National Drug Control Center, as of the end of 2006 there were approximately 22,000 registered drug addicts in Uzbekistan. Sixty-eight percent of these were heroin users and 16 percent were users of cannabis drugs, and approximately 1,500 new addicts have been registered in 2007. The number of registered addicts is believed to reflect only 10-15 percent of the actual drug addicts in Uzbekistan. A new UNODC study estimates that there are more than 130,000 opiate drug users in Uzbekistan. Over the last few years, there has been an alarming growth in the number of persons who are HIV positive, and Uzbek officials say the problem is getting worse. Over 2,200 new HIV cases were registered in 2006, of which 59 percent were injecting drug addicts, according to official GOU statistics. Approximately half of the 15,000-100,000 people infected with HIV are between the ages of 25 and 34. Hospitals with drug

dependency recovery programs are inadequate to meet the increasing need for detox and treatment. The Ministry of Health and National Drug Control Center have recognized the need to focus increased attention on the drug problem, but do not have sufficient funds to do so adequately. Drug awareness programs are administered in cooperation with NGOs, schools, women and youth groups, religious organizations, national radio, and the mahalla (neighborhood) support system. In 2007 UNODC completed an INL-funded drug demand reduction project that demonstrated increased drug abuse awareness among school children.

IV. U.S. Policy Initiatives and Programs

Bilateral Cooperation. U.S.-Uzbek bilateral counternarcotics assistance focuses on the prevention of illicit drug activities in and through Uzbekistan, and the need to increase the capacity of Uzbek law enforcement agencies to combat these activities. This assistance is most often provided in the form of technical assistance, training, and limited equipment donations. Since early 2005, the GOU has significantly slowed the pace of bilateral cooperation with the United States. The government continues to accept some operational training conducted in Uzbekistan and equipment donations. However, it generally will not participate in activities held outside the country, or projects which it considers to be “non-operational,” i.e. efforts to engage on legal and judicial reforms, promote increased adherence to international standards and norms, or to fight official corruption.

In spite of the GOU’s continuing hesitance to engage in U.S.-sponsored training and programs in a variety of areas, including counternarcotics, some agencies participated in U.S.-sponsored training in 2007. Department of State-funded assistance programs provided additional specialized inspection equipment, along with associated training, at Customs posts throughout Uzbekistan, including the strategic Civil River Port in Termez and a key railroad station in Sarasiya on the Tajik border. These programs are also providing infrastructure improvement assistance at some of the country’s most remote border posts to promote better living conditions and increased control of the border. USAID’s Drug Demand Reduction Project (DDRP) continues to work at key points along drug trafficking routes to prevent at-risk young people from becoming injecting drug users. DDRP cooperates with local organizations to deliver key messages on drug abuse prevention and offer alternative activities through innovative “Youth Power” centers. These programs serve as models for Uzbekistan’s national HIV control strategy, since the HIV epidemic is fueled primarily by injection drug use.

The Department of Defense hopes to resume counternarcotics activities with the GOU within the next fiscal year. Central Command withdrew counternarcotics funding for FY 2007 due to the overall problems in the military-to-military and political relationships. Recently, there has been a reengagement between Central Command, the Ministry of Defense, and the State Committee for Border Security. Both sides want to resume counternarcotics cooperation in the near future. GOU officials have stated that they will seriously consider DOD-sponsored counternarcotics events in FY 2008, to include Marshall Center counternarcotics events and other military-to-military events concerning counternarcotics.

The Road Ahead. The U.S. remains committed to supporting appropriate Uzbek agencies to improve narcotics detection and drug interdiction capabilities. However, the effectiveness of U.S. assistance programs depends on the willingness of the Government of Uzbekistan to participate in these efforts.

AFRICA AND THE MIDDLE EAST

Angola

I. Summary

Although some cannabis is cultivated and consumed locally, Angola neither produces nor consumes significant quantities of drugs. Angola continues to be a transit point for drug trafficking, particularly cocaine brought in from Brazil or South Africa and destined for Europe. Angola is a party to the 1988 UN Drug Convention.

II. Status of Country

Angola is not a major center of drug production, money laundering, or production of precursor chemicals, and is not likely to become one. It is however, a transit point for drug trafficking. Narcotics, mostly cocaine, enter from Brazil and are then transported to Europe and South Africa. Police continued to seize cocaine and cannabis in 2007. Increased intelligence sharing with the U.S. and the scanning of incoming containers improved the effectiveness of drug interdiction.

III. Country Actions Against Drugs in 2007

Policy Initiatives. The National and Border Police's drug seizure efforts have continued, but reliable seizure statistics are not available. Angola cooperates with South Africa, Brazil, and Portugal in fighting the flow of cocaine through Angola to various destinations. South Africa has provided intelligence, training, and equipment to the Angolan police. Angola also cooperates on a regional basis via the South Africa Development Community (SADC).

Corruption. As a matter of government policy, Angola does not encourage illicit production or distribution of drugs or associated money laundering. Although cases of public corruption connected to narcotics trafficking are rare, in June 2005, three officials of the National Department for Criminal Investigation were charged with trafficking in cocaine.

Agreement and Treaties. Angola is a party to the 1988 UN Drug Convention, the 1971 UN Convention Against Psychotropic Substances, and the 1961 UN Single Convention as amended by the 1972 Protocol. Angola ratified the UN Corruption Convention on August 29, 2006 and has signed, but has not yet ratified the UN Convention against Transnational Organized Crime. The U.S. does not have an extradition or mutual legal assistance treaty with Angola. Angola has a constitutional bar against extraditing or expelling its nationals. Its constitution also prohibits extradition for death penalty cases.

Domestic Programs/Demand Reduction. In 2004, Angola enacted legislation mandating treatment for those convicted of narcotics abuse. Drug rehabilitation centers have been established in Luanda, Lubango, and Benguela, but resources limit what the government can offer in modern drug treatment.

IV. U.S. Policy Initiatives and Programs

Bilateral Cooperation. In 2007, 35 Angolan police officers participated in State Department-sponsored regional training courses, which included segments on counternarcotics.

The Road Ahead. The U.S. will continue to assist Angola through training of law enforcement officials at ILEA Gaborone and in ILEA Roswell.

Benin

I. Summary

Benin remains a low volume producer of cannabis, and continues to be a transit point for other illegal narcotics. During 2007, no new counternarcotics laws or initiatives were introduced in Benin. Benin's drug enforcement police unit, the Office Centrale de Repression du Traffic Illicit de la Drogue, OCERTID (Central Office for Repression of Illicit Drug Trafficking) has limited resources. The rate of illegal drug seizures in Benin was low during 2007, as were quantities seized. Benin is a party to the 1988 UN Drug Convention (UNDC).

II. Status of Country

Benin is a small-scale producer of illegal narcotics. Marijuana is the only significant drug produced, and there is virtually no production of chemical drugs such as methamphetamines. Marijuana is sparsely cultivated in the central area and regions of Benin, along its western and eastern borders with Nigeria and Togo. The primary market for this cultivation is within Benin. During 2007, there were no new efforts by the Government of Benin (GOB) to eradicate the drug production in these areas. Benin's porous borders and lack of port security allow for the easy transshipment of narcotics by regional traffickers. All forms of narcotics are known to transit through Benin.

III. Country Action Against Drugs in 2007

In 2007, there have been few efforts toward combating the trafficking of illegal narcotics as laid out by the 1988 Drug Convention, by the current Benin administration. Legislation adopted in 1997 (which increased sentences for traffickers, criminalized drug-related money laundering, and permitted the seizure of drug-related assets), remains in effect with limited implementation. Benin has no legal mechanism in place to seize assets on behalf of counternarcotic efforts and there is no U.S. extradition agreement with Benin. However, the U.S. and Benin entered into several bilateral counternarcotics agreements in 1995 and 2001, which provided for U.S. assistance to Benin's efforts. In 2006, Benin signed a bilateral agreement with Nigeria under which the two countries implemented joint border control teams and procedures for trans-border crimes including narcotics trafficking. To date, no known senior Beninese Government official or entity engages in, encourages, or facilitates the illicit production or distribution of narcotic or psychotropic drugs. Benin did not participate in any major regional anti-narcotic efforts during 2007.

OCERTID has had a team assigned to the port of Cotonou since November 2005, but this team continues to be hampered by a lack of training in the area of seaport security and container search procedures. The U.S.-administered Millennium Challenge Compact Grant will help address these weaknesses over the next four years. The Compact includes the development and implementation of a port master plan that incorporates institutional security improvements in the areas of access, customs services, and cargo screening.

There is no legislation or legal framework in Benin to prevent or punish narcotics-related corruption. In 2007, Benin has made attempts to punish officials involved in illegal activity. The current administration takes a particularly tough stance against corruption. The Benin judiciary initiated proceedings against a high ranking police official in February 2007 and put him in pre-trial detention at the prison of Cotonou on narcotic-related charges. When a capsized boat with

drugs washed up on a beach near Cotonou in August 2007, five other high-ranking police officials were also put in pre-trial detention at the prison of Ouidah, on allegations of withholding seized cocaine and trafficking cocaine. This seizure turned out to be the largest cocaine seizure in Benin's history.

The total reported drug seizures in Benin, to date, during 2007 were: cannabis: 56.4 kg, cocaine: 420.4 grams, and heroin: 1.3 kg. There were a total of 100 people arrested and prosecuted. The breakdown of nationality is: 74 Beninese, 17 Nigerians, 3 Togolese, 3 Ghanaians, 2 Nigerians, and 1 Dutch. Law enforcement resources continue to target small-scale couriers, users, and criminals involved in other forms of crime who are generally captured with various quantities of illegal drugs in their possession.

Benin's Drug Enforcement Coordination Office, the Interdepartmental Committee to Fight Against Drugs and Narcotics Abuse (CILAS), includes representatives from the Ministries of Health, Family, Social Protection, Finance, Economy, Environment, and Youth. CILAS is responsible for implementing Benin's domestic drug policy, but no results on the effectiveness of its programs are available. The most recent chair of CILAS was the former National Director of Police, and was recently relieved of his CILAS duties due to a drug corruption scandal. CILAS is now without a chairperson.

Agreements and Treaties. Benin is a party to the 1988 UN Drug Convention, the 1961 UN Single Convention as amended by the 1972 Protocol, and the 1971 UN Convention on Psychotropic Substances. Benin is a party to the UN Convention against Corruption, and to the UN Convention against Transnational Crime and its protocols against trafficking in persons, migrant smuggling and illegal manufacturing and trafficking in firearms.

IV. U.S. Policy Initiatives and Programs

Bilateral Cooperation. With the strong anti-corruption stance by the Beninese presidential administration, hopefully the aggressive implementation of prior counternarcotics initiatives and new counternarcotics initiatives will be brought back to the foreground. Efforts by the U.S. Government towards improving port and border security, such as the Millennium Challenge Grant should greatly assist these efforts.

The Road Ahead. The lack of training and resources for counternarcotics units remain a problem for Benin, which will limit results until a sustained effort is made to remedy this problem.

Egypt

I. Summary

The Arab Republic of Egypt is not a major producer, supplier, or consumer of narcotics or precursor chemicals. Heroin and cannabis are transported through Egypt, but presumed levels have not risen in four years. The Anti-Narcotics General Administration (ANGA) is the main counternarcotics organization in Egypt. It is competent and progressive, and cooperates fully with the Drug Enforcement Administration (DEA) office in Cairo. In 2004, a joint DEA-ANGA investigation uncovered a significant MDMA (Ecstasy) laboratory in Alexandria, resulting in the arrest of four individuals, indictment of three U.S. citizens, and a secondary ongoing investigation that identified more than two million dollars of drug related proceeds. In 2006, the DEA Country Office initiated several long term investigations working with ANGA; these continued into 2007. The DEA Country Office has had numerous other bi-lateral drug investigation successes in Egypt in 2007. Egypt is a party to the 1988 UN Drug Convention.

II. Status of Country

Egypt is not a significant producer or consumer of narcotics or precursor chemicals, despite the fact that opium poppy and cannabis plants are grown in Egypt. The substances that are most commonly abused are cannabis derivatives, which are commonly known in Egypt as “bango,” and legitimate pharmaceuticals. Narcotics do pass through Egypt. Egypt’s long and mostly uninhabited borders, combined with the high level of shipping passing through the Suez Canal Zone, have made Egypt prone to the transshipment of Afghan heroin. Other types of narcotics periodically pass through Cairo International Airport. The narcotics are primarily destined for Western Europe, with only small amounts headed to the United States. Trafficking has diminished considerably in recent years due to the elevation of security in Egypt and the region as a whole.

The ANGA is the oldest counternarcotics unit in the Arab world. It has jurisdiction over all criminal matters pertaining to narcotics and maintains offices in all major Egyptian cities and ports of entry. Despite limited resources, ANGA has continually demonstrated improvements in its capabilities.

III. Country Action Against Drugs in 2007

Policy Initiatives. The Government of Egypt (GOE) continues to aggressively pursue a comprehensive drug control strategy that was developed in 1998. ANGA, as the primary Egyptian drug enforcement agency, coordinates with the Egyptian Ministry of Interior, the Coast Guard, the Customs Service, and select military units on all aspects of drug law enforcement. Government and private sector demand reduction efforts exist, but are hampered by financial constraints and logistical challenges.

Accomplishments/Law Enforcement Efforts. Internal security and combating terrorism are the major foci of Egyptian law enforcement efforts. Despite these priorities, ANGA is able to operate an effective program against narcotics trafficking. Egypt is a transit country for narcotics. ANGA investigates and targets significant drug traffickers, intercepts narcotics shipments, and detects and eradicates illegal crops. Large-scale seizures and arrests are rare, primarily because Egypt does not have a significant narcotics market or narcotics abuse culture. ANGA operates its own drug awareness campaign in addition to other government and private sector demand reduction

programs. ANGA's Eradication Unit conducts monthly operations against cannabis and opium crops in the Sinai. Reversing a trend over the past several years, the amount of narcotics seized during 2006 was lower than that of the previous year.

According to the GOE, drug seizures in 2006 (Latest available figures.) included cannabis (101.0 metric tons), hashish (3.2 metric tons), and smaller amounts of heroin, opium, psychotropic drugs, and cocaine. Significant amounts of prescription and "designer" drugs such as Ecstasy, amphetamines, and codeine were also seized. During the course of 2006, Egyptian law enforcement officials eradicated 520 hectares of cannabis and 98 hectares of opium poppy plants.

The above hashish seizures have significantly increased in 2007 due in large part to three separate hashish seizures in the northern Egyptian Desert. These seizures were the result of intelligence sharing by the DEA Country Office on hashish being smuggled from Morocco.

With the passage of the first anti-money laundering law in 2002, which criminalized the laundering of proceeds derived from trafficking in narcotics and numerous other crimes, seizures of currency in drug-related cases have increased significantly over the past several years.

Corruption. As a matter of government policy, the Government of Egypt does not encourage or facilitate illicit production or distribution of narcotic or psychotropic drugs or other controlled substances, or the laundering of proceeds from illegal transactions. The GOE has strict laws and harsh penalties for government officials convicted of involvement in narcotics trafficking or related activities. A limited number of local low-level police officials who were involved in narcotics-related activity or corruption have been identified and arrested.

Agreements and Treaties. Egypt is a party to the 1988 UN Drug Convention, the 1971 UN Convention on Psychotropic Substances, and the 1961 UN Single Convention as amended by the 1972 Protocol. Egypt is a party to the UN Convention against Transnational Organized Crime and its protocols on migrant smuggling and trafficking in persons and the UN Corruption Convention. Egypt and the United States cooperate in law enforcement matters under an 1998 MLAT and an 1874 extradition treaty. The 1988 UN Drug Convention, coupled with the 1874 extradition agreement with the former Ottoman Empire, provides the United States and Egypt with a basis to seek extradition of narcotics traffickers.

Cultivation and Production. Cannabis is grown year round in the northern and southern Sinai and in Upper Egypt, while opium poppy is grown in the southern Sinai only from November through March. Rugged terrain means that plots of illegal crops are small and irregularly shaped. ANGA combats this production by using aerial observation and confidential informants to identify illegal plots. Once the crops are located, ANGA conducts daylight eradication operations that consist of cutting and burning the plants. ANGA has yet to implement a planned herbicide eradication program. No heroin processing laboratories have been discovered in Egypt in the last 15 years and no evidence is available indicating that opiates or cannabis grown in Egypt reach the United States in sufficient quantities to have a significant impact. In an ongoing investigation that started in 2004, a joint DEA-ANGA operation uncovered the first ever MDMA Ecstasy laboratory in Egypt and eliminated it before it reached significant production.

Domestic Programs (Demand Reduction). In 2006, the National Council for Combating and Treating Addiction continued to be the GOE's focal point for domestic demand reduction programs. The Council is an inter-ministerial group chaired by the Prime Minister and has the participation of ten ministries. The group espouses a three-pronged strategy to counter the demand for narcotics: awareness, treatment (including detoxification and social/psychological treatment), and rehabilitation. The group's efforts over the past years have included a range of activities, for

example, a media advertising campaign with participation from First Lady Suzanne Mubarak in 2005, annual seminars at Al-Azhar University on “Islam and Narcotics,” and the establishment of a drug treatment hotline and website. Additionally, the Council sponsors four rehabilitation centers, primarily focused on the Cairo metropolitan area. These centers annually receive thousands of requests from addicts for help.

IV. U.S. Policy Initiatives and Programs

Policy Initiatives/Bilateral Cooperation. The U.S. counternarcotics policy is to engage the GOE in a bilateral program to reduce narcotics transshipments and decrease opium poppy and cannabis cultivation. The policy includes the following specific objectives: increase training to ANGA and other government offices responsible for narcotics enforcement; assist with the identification of illegal crop eradication targets; improve narcotics interdiction methodology; and improve intelligence collection and analysis. In 2005, the DEA country office initiated Operation Sphinx, a joint DEA-ANGA operation to collect actionable intelligence for enforcement/interdiction action in the Suez Canal and the Gulf of Aqaba. The operation targets sources of information in the maritime industry throughout the region. In 2007 the U.S. Coast Guard hosted two Egyptian students for maritime law enforcement and seaport counterterrorism training. The Department of Homeland Security, through U.S. Customs and Border Protection, has engaged the GOE in customs capacity building efforts with training focused on airport and land border enforcement techniques.

The Road Ahead. In fiscal year 2008, the U.S. plans to increase its joint operations with ANGA, moving beyond a previously predominant focus on monitoring the narcotics problem. This will involve the DEA country office continuing to work closely with ANGA on joint investigations, as well as improving interdiction and eradication techniques and developing additional sources of information on trafficking and production.

Ethiopia

I. Summary

Ethiopia does not play a major role in the production, trafficking or consumption of illicit narcotics or precursor chemicals associated with the drug trade. However, Ethiopia is strategically located along a major narcotics transit route between the UAE and West African heroin markets, and the amount of drugs transiting via Ethiopia is increasing. Heroin transits Ethiopia for markets in West Africa, Europe and the United States, primarily due to Ethiopia's good airline connections between those markets and Southwest/Southeast Asia. Nigerian and Ghanaian traffickers use Ethiopia as a transit point on an increasing but limited basis. Although cannabis is grown throughout Ethiopia, it is mostly consumed in rural areas of the country. Khat, a chewable leaf with a mild narcotic effect, is legal in Ethiopia. Ethiopia now produces more khat than coffee for export. Seizures are up, and illegal exports from Ethiopia, through Europe to the U.S., are rising. The Illicit Drug Control Service (IDCS), formerly the Ethiopian Counter-narcotics Unit (ECNU), has a small staff, limited training and equipment, and would like to partner with the international community to improve its capabilities. The IDCS maintains an interdiction team at the international airport in the capital. Ethiopia is a party to the 1988 UN Drug Convention.

II. Status of Country

Ethiopia is not a significant producer, trafficker or consumer of narcotic drugs or diverted precursor chemicals. It is however becoming a more significant site for heroin and cannabis transiting. Cannabis is produced in rural areas throughout Ethiopia. Only a small portion of cannabis is being produced for export, primarily to neighboring countries. The majority of locally produced cannabis is consumed at home, but absolute quantities in both cases are moderate. According to the IDCS, cannabis is primarily grown and used by the Rastafarian population. The highest volume has been grown in and outside of the town of Shashemene, approximately 250 kilometers south of Addis Ababa. Information from late-2007 suggests that traffickers in and around Shashemene have begun using machines to process raw cannabis into a paste to smuggle abroad. IDCS also believes that cannabis is often sold concurrently with khat. No seizures of opium have been reported since 2001, when opium poppy was seized at two locations where it was apparently being grown as an experimental crop.

III. Country Action Against Drugs in 2007

The use of heroin and other hard drugs remains low, due primarily to the limited availability of such drugs, their high street prices, and low incomes of most Ethiopians. To the extent that such hard drugs are available is in large part due to the spillover effect from drug couriers transiting through Bole International Airport in Addis Ababa. Bole is a major air hub for flight connections between Southeast and Southwest Asia and Africa, and according to Ethiopian authorities, much of the heroin entering and/or transiting Ethiopia comes from Asia, although absolute quantities in both cases are fairly low. Some of the flights require up to a two-day layover in Addis Ababa, permitting a limited opportunity for the introduction of these drugs into the local market. Since the March 2007 arrest of a Ghanaian national who had ingested nearly one kilogram of heroin after traveling from Iran, Ethiopian federal authorities have arrested 4 other Africans transiting Addis Ababa from Dubai with ingested heroin. The suspected smugglers claimed to have purchased the heroin pellets

in Iran and Dubai. Authorities now randomly search West Africans flying from “high risk” points of origin.

Law Enforcement Efforts. The IDCS has a small staff and inadequate budget, limiting its capabilities. There is currently no training offered for officers in IDCS, and IDCS has no permanent programs. After changing its leadership in 2002, IDCS has been more proactive at the federal level, but is still hampered by financial constraints. IDCS is comprised of approximately 40 individuals, including federal police officers and administrative personnel. . Its efforts include an airport interdiction team comprised of 11 staff, a four-person surveillance team, and an educational unit with six staffers. . At the airport, the interdiction team uses four drug sniffer German shepherd dogs to examine, with a degree of randomness, cargo and luggage. Sniffer dogs are primarily trained and used to detect cocaine, cannabis, and heroin. The IDCS routinely screens passengers, luggage and cargo on flights arriving from “high risk” origins, such as Dubai, Bangkok, Mumbai, New Delhi, Bombay, Karachi, and Islamabad. The interdiction unit continues to improve its ability to identify male Ghanaian/Nigerian/Tanzanian drug “mules,” which typically swallow drugs to smuggle them. However, the airport interdiction unit relies heavily on tips from other countries to identify the drug mules. The Ethiopian government reports that the overall volume of drugs interdicted has been low, as most seizures involve airline passengers carrying small quantities in luggage or on their person.

The Counter Narcotics Division (CND) was formed in 1993 and it coordinates drug enforcement in all regions of the country. There are about 150 officers in the CND that has provided training to regional police by translating DEA training manuals into Amharic. The CND also conducts drug awareness initiatives among the public and undertakes drug (cannabis) eradication. There are currently ten people working in Criminal Intelligence, and twenty people working on Airport Interdiction. The CND needs to increase its airport surveillance capabilities and adopt a more effective risk assessment and passenger profiling system.

The CND provided statistics from 1993-2002 on the number of arrests and seizures for heroin and cannabis. For heroin, 1993 was the peak year when thirty-six people were arrested and twenty-four kilograms of the drug were seized. For cannabis, 1997 was the peak year for seizures when 1,367 kilograms were seized, and 1998 was the peak year for arrests, when 771 people were arrested.

The Federal Police Counter narcotics Unit Acting Head Deputy Commander provided the following updated details on the amount of drugs seized by the Federal Police Counter narcotics Unit in 2006: 482 kilograms of cannabis, and 2.7 kilograms of heroin. Traffickers apprehended were Ghanaian, Tanzanian, Gabonese, British and mostly male. The total number of local users arrested in 2006 were: 118 Ethiopians (116 male, 2 female); 2 British nationals (both male); 1 French national (male); and 1 Sudanese national (male). Ethiopian Federal Police report having confiscated nearly 12 kilograms of heroin in 2005, and roughly 16 kilograms of heroin in 2004. On December 29, 2007, Ethiopian police arrested five Ethiopian nationals attempting to sell 73 kilograms of marijuana in one of the country’s largest drug busts in recent history.

Corruption. There is no evidence of government corruption related to illicit drugs. The Anti-Corruption Commission, created in 2001, was given substantial police powers to investigate corruption, and for a short while attracted considerable attention when it arrested and charged several high-level government officials with corruption (unrelated to drugs) in 2001 and 2002. Since then, the Commission seems to have become bogged down bureaucratically and is no longer a formidable organization. There have been no charges of drug-related corruption against government officials.

Agreements and Treaties. Ethiopia is a party to the 1988 UN Drug Convention, the 1961 UN Single Convention as amended by the 1972 Protocol and the 1971 UN Convention on Psychotropic Substances. Ethiopia has signed, but has not yet ratified, the UN Convention against Transnational Organized Crime and the UN Convention against Corruption.

Cultivation/Production. Cannabis is produced in rural areas throughout Ethiopia, of which a small portion is for export, primarily to neighboring countries. The use of machines to process raw cannabis into a paste to smuggle abroad is a relatively new development. The majority of cannabis is consumed at home, with quantities in both cases being moderate. Khat is grown widely in Ethiopia and is increasingly exported. While khat is legally produced in Ethiopia, it is considered to be an illicit and illegal drug in the United States.

Drug Flow/Transit. The amount of drugs transiting Ethiopia remains small to moderate. Heroin transits Ethiopia for markets in West Africa, Europe and the United States, primarily due to Ethiopia's good airline connections between those markets and Southwest/Southeast Asia. Ghanaian and Nigerian traffickers are increasingly using Ethiopia as a transit point. Drug trafficking within Ethiopia is a growing problem as lax cargo inspections at airports in the country have made the transshipment of heroin from Pakistan and Afghanistan an increasingly significant problem.

Domestic Programs. The only domestic program to combat narcotics in Ethiopia is the ICDS, which has both an enforcement and limited drug education role. The ICDS' education unit aims to increase public awareness by partnering with counternarcotics clubs in high schools. Further, the education unit trains domestic police on how to detect and control drugs in all areas of Ethiopia.

IV. U.S. Policy Initiatives and Programs

Policy Initiatives. The United States is working to raise the profile of crime-related issues and encourage criminalization of money laundering.

The Road Ahead. Ethiopia is likely to remain a moderate trafficking center for Africa because of its airport, transiting and the flight arrangements described above. The GOE's goal is to partner with the international community to improve its detection capabilities. While Ethiopia is not a significant producer, trafficker, or consumer of narcotic drugs, its location among the major narcotics routes—linking Southeast/Southwest Asian heroin production, European markets, and West African trafficking networks—make it a prime candidate for continued drug trafficking and transiting.

Ghana

I. Summary

Ghana has taken steps to combat illicit trafficking of narcotic drugs and psychotropic substances and has mounted efforts against drug abuse. It has active enforcement, treatment, and rehabilitation programs; however, corruption and a lack of resources seriously impedes interdiction efforts. A national narcotics scandal in 2006, involving allegations of official complicity in narcotics trafficking complicated Ghana's efforts to combat the drug trade, but served to focus public attention on the growing problem. Ghana made limited efforts to combat the increasing drug flow in 2007, and arrests and seizures were down from 2006, although they were higher than 2005. Ghana-U.S. law enforcement coordination was strong in 2007, particularly at the policy level, but operational cooperation remained strained by the narcotics scandal, where seized narcotics in police custody went missing. Interagency coordination among Ghana's law enforcement entities also remained a challenge. Ghana is a party to the 1988 UN Drug Convention.

II. Status of Country

Ghana has become a significant transshipment point for illegal drugs, particularly cocaine from South America, as well as heroin from Southeast and Southwest Asia. Europe is the major destination, but drugs also flow to South Africa and to North America. Accra's Kotoka International Airport (KIA) is increasingly a focus for traffickers. Ports at Tema, Sekondi, and Takoradi are also used, and border posts at Aflao (Togo) and Elubo and Sampa (Cote d'Ivoire) have seen significant drug trafficking activity. In 2006, South American cocaine trafficking rings increased their foothold in Ghana, establishing well-developed distribution networks run by Nigerian and Ghanaian criminals. Ghana's interest in attracting investment provides good cover for foreign drug barons to enter the country under the guise of doing legitimate business. However, South American traffickers reduced their need to visit Ghana in person by increasing reliance on local partners, thus further insulating themselves from possible arrest by local authorities.

In 2006, a series of cocaine scandals, including allegations of police complicity in cocaine trafficking, complicated efforts at interdiction. In May 2006, five kg of cocaine went missing from a police evidence locker. An ensuing investigation, which received extensive domestic media attention, quickly expanded to other cases. In the most prominent case, security agencies interdicted a ship, the MV Benjamin, thought to have been carrying as much as two tons of cocaine, of which authorities only seized thirty kg. The scandal intensified when a secret recording surfaced that caught an Assistant Commissioner of Police and known narcotics traffickers on tape discussing why they had not been alerted to the two ton cocaine shipment. The trial in this case is ongoing. The ruling party and the opposition political parties used the scandals to accuse each other of allowing the country to become a transshipment point for cocaine and heroin bound for other countries. The Government of Ghana (GOG) created a special commission after this case which identified several policy recommendations to lessen the chances of similar scandals in the future but, to date; the government has acted on only a handful of the recommendations. As a result of these scandals, a handful of law enforcement officials lost their jobs and the government renewed its focus on how to combat the narcotics trade. The Narcotics Control Board (NCB) welcomed a new Director, in June 2007.

Trafficking has also fueled increasing domestic drug consumption. Cannabis use continues to increase as does its cultivation locally. Law enforcement officials have repeatedly raised concerns

that narcotics rings are growing in size, strength, organization and capacity for violence. The government has mounted public education programs, as well as cannabis crop substitution programs. Diversion of precursor chemicals is not a major problem.

III. Country Action Against Drugs in 2007

Policy Initiatives. The Narcotics Control Board (NCB) coordinates government counternarcotics efforts. These activities include enforcement and control, education, prevention, treatment, rehabilitation, and social reintegration. The two top officials at the NCB were suspended at the outset of the 2006 narcotics scandal. The top official was ultimately replaced, but the NCB remained without an operations chief until June 2007. In 2007, the NCB launched an intensive awareness campaign on radio and television to combat trafficking and created a new position which deals with demand reduction. In 2007, the NCB implemented a three year plan which focuses on strengthening operational capacity, promoting awareness and decentralizing NCB's operations. With the decentralization plan, the NCB plans to station officers in all major cities and border posts. NCB officers will be assigned to Kumasi and Tamale and the border posts at Aflao (Togo) and Elubo (Cote d'Ivoire) by year's end. As part of its rebuilding in 2007, the NCB hired 40 new officers during the year and plans to hire an additional 60 by the end of the year. The Ministry of Interior set up a fact-finding committee in 2006, to investigate the cocaine scandals and the UNDP funded a series of experts' meetings to develop a new national drug policy and make recommendations on improving the country's counternarcotics efforts. The series of meetings are ongoing. Ghana and the UNODC signed a compact in February, which will create a joint port control team to inspect cargo arriving at Ghana's ports. The compact includes the donation of scanners and training for Ministry of Interior officials.

Each year since 1999, the NCB has proposed amending the 1990 narcotics law to fund NCB operations using a portion of seized proceeds, but the Attorney General's office has not acted on this proposal. In 2006, the Attorney General succeeded in amending the narcotics law to allow stricter application of the bail bond system (i.e., no general granting of bail when flight is a real possibility; higher sureties to assure that defendants appear for trial) in response to NCB complaints that courts often release suspected smugglers, including foreign nationals, on bail that is often set at only a tiny fraction of the value of the drugs found in a suspect's possession. In 2007, this amendment has worked well, as defendants are not released as easily as before. The NCB also called for amendment, without success, of PNDC Law 236 (1990) to enable it to confiscate property and assets purchased by identified drug dealers using illegal proceeds. The Minister of Interior said in October that the government plans to amend the law soon. The government began drafting a Proceeds of Crime bill and a Money Laundering bill in 2006, and final drafts were reportedly near completion by year's end 2007. The government plans to present the money laundering bill to parliament as soon as it is finished.

Law Enforcement Efforts. In 2007, Ghanaian law enforcement agencies continued to conduct joint police-NCB operations against narcotics cultivators, traffickers, and abusers. NCB agents, who are not armed, rely upon the police's Criminal Investigative Division's (CID) narcotics unit in situations requiring armed force. The Ghana Police Service has assigned several investigators to narcotics cases, holds suspects in its cells and prepares such cases for presentation at trial. The NCB continued to work with DHL, UPS, and Federal Express to intercept packages containing narcotics. The NCB reported that it seized 286 kg total drug seizures of cocaine, heroin, and cannabis from January to October 2007. The NCB said narcotics rings find trafficking cocaine to Europe easier and more profitable than obtaining heroin from the Far East and trafficking it to the U.S.

The NCB reported that from January 2006 to October 2007, 71 convictions were made against traffickers. In 2007, 41 individuals were arrested, but only 10 were convicted and sentenced, a decrease from 2006. The Ghana Police reported that, from January to September, it had 452 cases in various stages of investigation and prosecution. This represents a 26 percent increase in narcotics cases over the same period in 2006; while marijuana cases increased nearly 50 percent, suggesting that narcotics consumption among Ghanaians is increasing. Cases involving cocaine and heroin decreased by one-third. In addition to a number of Ghanaians, courts prosecuted citizens of other countries in cases involving cocaine and heroin trafficking, including a Nigerian who was on Ghana's most wanted list. At year's end, the courts had 31 cases pending. The NCB reported that the price of cannabis increased sharply in 2007, possibly as a result of eradication efforts. The price of a small parcel of cannabis (the size of a loaf of bread) in 2007 was approximately 10-15 cedis (\$10.86-\$16.29), while a wrapper or joint sold for 20 Ghana Pesewas (\$0.22-\$0.54), from two to five times the price in 2005. The NCB and other law enforcement agencies continued their successful cooperation with U.S. law enforcement agencies in 2006, until the eruption of the narcotics scandal, which forced U.S. agencies to reduce cooperation until the NCB could reconstitute itself. There were no narcotics-related extraditions to or from the United States in 2006, however, in 2007, Ghana expelled two Afghan nationals it arrested on suspicion of narcotics trafficking and placed them in U.S. custody. The two are now awaiting trial in the U.S. In 2007, Ghana also provisionally arrested a Ghanaian national wanted in the United States on charges of conspiracy to distribute and import heroin. The extradition hearing is pending.

Corruption. Ghana does not, as a matter of government policy, encourage or facilitate illicit production or distribution of narcotic or psychotropic drugs or other controlled substances, or the laundering of proceeds from illegal drug transactions, nor is any senior official known to engage in, encourage, or facilitate narcotics production or trafficking. Despite the regular arrests of suspected narcotics traffickers, Ghana has an extremely low rate of conviction, which law enforcement officials indicate is likely due primarily to corruption within the judicial system. The backlog of cases pending trial and the limited resources facing the judiciary remain problems in controlling drug trafficking in Ghana. In October 2005, a supervisor of KIA's cargo handling company was arrested attempting to smuggle cocaine using an airport tractor, taking advantage of his access to an airplane. This official was sentenced in March to a 15-year prison term. Also in March, three employees of KIA were arrested when 70 kilograms of cocaine were found in a Duty Free shop near the business class lounge.

Corruption among law enforcement officials remained a serious problem in 2007. In April, eight police officers were arrested for taking parcels of cocaine from a trafficker to sell them personally. A district court released the officers in June, but the Attorney General ordered them rearrested immediately. They are currently awaiting trial. In a separate case in June, nine police officers were arrested attempting to retrieve parcels of cocaine along Ghana's coast near Takoradi. Two other police officers were arrested in October for attempting to escort narcotics couriers through Police checkpoints. During the month of May, 50 police officers were arrested for misconduct during an operation aimed at ridding the Police Service of corrupt officers. In October, 19 more Ghana Police officers were dismissed for misconduct. In 2006, two officers from the Bureau of National Investigations were suspended for having inappropriate contact with Nigerian drug traffickers and an Assistant Commissioner of Police and five other officers were arrested for their alleged direct involvement in the trafficking of the cocaine, which went missing from the MV Benjamin. Though no charges of corruption were brought, the two top officials at the Narcotics Control Board were suspended for dereliction of duty in allowing five kg of seized cocaine to disappear from a police evidence locker.

Agreements and Treaties. Ghana is a party to the 1988 UN Drug Convention, the 1971 UN Convention on Psychotropic Substances, and the 1961 UN Single Convention, as amended by the 1972 Protocol. U.S.-Ghana extradition relations are governed by the 1931 U.S.-U.K. Extradition Treaty. In 2003, Ghana signed a bilateral Customs Mutual Assistance Agreement with the United States. In July 2006, Ghana ratified both the UN Convention against Corruption and the African Union Convention on Preventing and Combating Corruption.

Cultivation and Production. Cannabis (also known as Indian hemp) is widely cultivated in rural farmlands. The Volta, Brong-Ahafo, Eastern, Western, and Ashanti regions are principal growing areas. Most cannabis is consumed locally; some is trafficked to neighboring and European countries. Cannabis is usually harvested in September and October, and law enforcement teams increase their surveillance and investigation efforts at these times. NCB, together with the Ghana Police investigated several cases of cannabis production and distribution, and destroyed cannabis farms and plants in 2007. In October 2005, a joint operation between the NCB and police destroyed three acres of cannabis in Akatsi and took two Ghanaians and two Jamaicans into custody. In February 2003, the NCB implemented a pilot program designed to reduce the area under cultivation. Under the terms of this project, 140 marijuana cultivators volunteered to give up marijuana in exchange for government assistance with planting and processing new food crops and immunity from prosecution. The NCB expanded the program from 120 farmers in 2004 to 325 in 2005, but did not have funds to expand the program further in 2006 or 2007. NCB reports, however, that by 2006 cultivation in targeted areas had gone down. To provide alternative income to farmers growing cannabis, the Ministry of Women and Children's Affairs donated two cassava-processing plants to a community in Essam, Eastern Region in 2005.

Drug Flow/Transit. Cocaine and heroin are the main drugs that transit Ghana. Cocaine is sourced mainly from South America and destined for Europe, while heroin comes mainly from Southeast and Southwest Asia on its way to Europe and North America. Cannabis is shipped primarily to Europe, specifically to the United Kingdom. Law enforcement officials report that traffickers are increasingly exploiting Ghana's relatively ungarded and porous maritime border, offloading large shipments at sea onto small fishing vessels which carry the drugs to shore undetected. Narcotics are often repackaged in Ghana for reshipment, hidden in shipping containers or secreted in air cargo. Large shipments are also often broken up into small amounts to be hidden on individuals traveling by passenger aircraft. The most common individual concealment methods utilize false bottom suitcases or body cavity concealment. Arrests in 2007 revealed a variety of creative concealment methods, including cocaine hidden inside women's specially designed underwear, cans of palm oil and containers of yoghurt, and bricks of marijuana hidden in false-bottom crates which contained handicrafts bound for Europe.

Officials at UK airports found that the total tonnage of trafficked narcotics seized from passengers on flights originating in Ghana eclipsed those from Nigeria in 2006. In partial response to this trend, the British Government launched a program deploying experienced U.K. customs officers and state of the art ion scan detection equipment to Kotoka International Airport. The program is scheduled to last one or two years, and involves training Ghanaian customs officers on how to use the equipment, profiling, targeting, intelligence-gathering and other security techniques. From the program's inception in November 2006 to September 2007, it has seized nearly 350 kg of cocaine, 2,200 kg of cannabis and 1 kg of heroin. There is no hard evidence that drugs transiting Ghana contribute significantly to the supply of drugs to the U.S. market. However, there are indications that direct shipments to the United States—particularly of heroin—are on the rise, fueled by an increase in shipments of heroin to Ghana from Pakistan and Afghanistan in 2006. In November 2004, two alleged leaders of a drug smuggling ring from Ghana were indicted in Columbus, Ohio

for shipping heroin for distribution across central Ohio, indicating a direct flow of illicit narcotics from Ghana into the U.S. Midwest. The November 2005 arrest of a Ghanaian parliamentarian indicated a similar flow of heroin to the New York area, and in 2006 a significant number of Ghanaians were arrested in the United States for trafficking heroin. In October 2007, two Afghan nationals were arrested by the Ghana Police, expelled by the government, and flown to the U.S. for conspiring to distribute heroin in the U.S.

In the past, direct flights from Accra played an important role in the transshipment of heroin to the U.S. by West African trafficking organizations. In July 2004, the Federal Aviation Administration banned Ghana's only direct flights to the United States for safety reasons. However, this did not appear to reduce the trafficking of drugs between the two countries. Instead, drug traffickers rerouted the flow through Europe, according to the NCB. In addition to multiple carriers providing connecting flights to the United States via Europe, direct air links were re-established in 2005, with a second airline adding non-stop service between Ghana and the United States in December 2006, in addition to multiple carriers providing connecting flights to the United States via Europe, which may result in increased attempts at smuggling by direct air links.

In 2006, the U.S. Embassy uncovered widespread visa fraud associated directly with drug trafficking organizations, further raising fears of highly organized smuggling rings attempting to carry drugs into the United States from Ghana by air. The NCB reported that in response to increased vigilance against West African drug mules arriving at foreign airports, a new trend appears to be use of Caucasians as carriers of narcotics to arouse less suspicion by customs and immigration officials at European and U.S. airports. Two teenage British citizens were caught in July attempting to smuggle six kilograms of cocaine to London. The two remain in custody in Accra awaiting their trial date. Despite concerns with increased use of air travel for drug transshipment, however, the primary problem remains Ghana's long, relatively unpatrolled coastline.

Domestic Programs. The NCB works with schools, professional training institutions, churches, local governments, and the general public to reduce local drug consumption. The Ministries of Health and Education further coordinate their efforts through their representatives on the Board. Board Members and staff frequently host public lectures, participate in radio discussion programs, and encourage newspaper articles on the dangers of drug abuse and trafficking. Although treatment programs have generally lagged behind preventative education and enforcement due to lack of funding, in 2007, the NCB announced that it has established treatment centers to assist addicts, adding to the. Three government psychiatric hospitals which receive drug patients and three private facilities in Accra run by local NGOs. The NCB's national drug education efforts continued in schools and churches, heightening citizens' awareness of the fight against narcotics and traffickers. In 2007, the NCB continued broadcasting TV programs to explain narcotics' effects on the human body, individual users and society. These programs are broadcast on state television in local languages. In partial response to the narcotics scandal, the NCB also began efforts to sensitize coastal fishermen on the dangers of getting involved in the drug trade and on the need to cooperate with law enforcement officials. In 2006, the Regional Minister for the Central Region (where many fishing ports are located) met with local fishermen to discuss the problems of drug trafficking. The Government of Ghana, with UK assistance, launched Operation Hibiscus in October to spread awareness about the dangers of transporting narcotics. This program, featuring a cartoon character, will be carried in print and on television.

IV. U.S. Policy Initiatives and Programs

Bilateral Cooperation. The USG's counternarcotics and anticrime goals in Ghana are to strengthen Ghanaian law enforcement capacity generally, to improve interdiction capacities, to enhance the NCB's office and field operation functions, and to reduce Ghana's role as a transit point for narcotics. In 2002, the United States provided the Government of Ghana counternarcotics assistance in the form of surveillance and detection equipment, worth \$64,000, including two narcotics detection devices ("Itemisers") installed at Kotoka International Airport in December 2003. Similar equipment funded in FY 2000 and FY 2001 is effectively maintained and has facilitated a number of drug arrests and seizures. Ghana continues to benefit from training courses offered in FY 2002, 2004, and 2007. These interagency counternarcotics courses focused respectively on suppressing corruption, drug interdiction at Ghana's air and seaports, and narcotics investigations skills. In August 2005, the U.S. Government signed an agreement to provide Ghana's law enforcement agencies with an additional \$200,000 to fight narcotics trafficking. Under this funding, DEA provided a two-week basic narcotics investigations skills course for NCB and other GOG counternarcotics staff in November 2006. At the end of the training, the U.S. Embassy donated 25 sets of new Smith & Wesson handcuffs, provided by the Department of Justice, to the NCB. In 2007, following a DEA training course, the USG also donated drug-testing kits. The USG is also working with the Customs, Excise and Preventive Service (CEPS), and held a Customs training course in September. The USG is urging CEPS to establish an internal affairs unit that would strengthen internal anticorruption efforts along Ghana's borders. In August 2007, U.S. Customs and Border Protection and DEA presented a joint seaport border enforcement training, focusing on narcotics enforcement techniques to Customs, Excise and Preventative Service officials (CEPS). CBP and other USG's are also working with CEPS to establish an internal affairs unit that would strengthen internal anticorruption efforts along Ghana's borders.

The Road Ahead. Ghana made limited progress in 2007 in addressing its legislative and enforcement deficiencies, brought into the public eye by the 2006 narcotics scandals, and a long road lies ahead. The NCB's plan to hire sixty additional agents by year's end is a positive step forward. Tougher confiscation provisions, with a portion of such resources dedicated to fighting narcotics trafficking, would strengthen Ghana's counternarcotics regime. Better oversight of financial transactions is particularly important given the potential for any narcotics financial networks to be used by terrorist organizations or for internal corruption. Upgraded measures to combat corruption are also essential. Sea interdiction and surveillance capabilities need to be enhanced. These initiatives will require significant re-allocation of resources and a sustained political commitment, and it remains to be seen whether Ghanaian officials have the political will to see them through.

Guinea

I. Summary

Guinea is being used as a drug trafficking transit point to Europe. International narcotic traffickers take advantage of loose border controls and limited coastal patrolling capacity of many West African nations, Guinea included, using these countries as a launch point to lucrative drug markets in Europe and the U.S. Guinea's National Police and specifically their Office Central Anti-Drogue (OCAD) lack the staffing, training, and equipment to effectively enforce anti-narcotic laws. Guinea is a party to the 1988 UN Drug Convention.

II. Status of the Country

Guinea has over the past five years become a regular transit/storage point for narcotics trafficking heading into Europe and to a lesser extent the United States, according to the Director of OCAD. Heroin, cocaine and amphetamines are imported into Guinea, stored for some time, and then moved through Guinea to markets largely in Europe. The dominant traffickers in the Guinean drug trade come from Nigeria, Colombia and Ghana. Marijuana is cultivated locally and abused traditionally in Guinea.

III. Country Actions Against Drugs in 2007

Policy Initiatives. The deterrent effect of recent arrests and seizure of a large amount of cocaine that was transiting Guinea were undermined when part of the seized drugs and cash drug proceeds were stolen by several OCAD police. Following this event, the Director General of Police appointed a new Director and Deputy for OCAD.

Law Enforcement Affairs. OCAD attempts to aggressively pursue the largely foreign drug traffickers operating through Guinea. However, OCAD lacks almost everything—training, equipment, investigating skills, and organizational motivation—to accomplish its mission. No reliable statistics exist for drug seizures in Guinea.

Corruption. Extensive corruption throughout the government and law enforcement agencies contributes to the difficulty of effective counternarcotics law enforcement. It is not government policy to encourage or facilitate illicit production or distribution of controlled substances, or to launder the proceeds of any transactions involving these illicit products. However, there have been unconfirmed reports that relatives of senior government officials engage in and facilitate illicit distribution of drugs and the laundering of the proceeds from illegal drug transactions. No officials or their family members have been accused of, or prosecuted for these crimes.

Agreements and Treaties. Guinea is a party to the 1988 UN Drug Convention, the 1961 UN Single Convention as amended by the 1972 Protocol and the 1971 UN Convention on Psychotropic Substances. Guinea is a party to the UN Convention against Transnational Organized crime and its protocols against migrant smuggling and trafficking in persons, and has signed but has not yet ratified the UN Convention against Corruption.

Cultivation/Production. Marijuana is cultivated locally and abused traditionally in Guinea. There is no significant export of marijuana or hashish to countries beyond Guinea's immediate neighbors in West Africa.

Drug Flow/Transit. Guinean Authorities are unable to prevent Guinean territory from being used as a storage depot, and transshipment point by international narcotics gangs moving cocaine, amphetamines and heroin to markets predominantly in Europe. In the past Conakry's port has been the primary point for trafficking. Drugs were simply secreted in cargo heading for Europe. Recent reports indicate that human "mules" moving swallowed drugs to Europe are increasing in frequency, both through the seaport and the airport.

Domestic Programs/Demand Reduction. Authorities report that drug use is growing despite their best efforts to stop it, although most Guineans are extremely poor and have no money for drugs. Currently the only drug education programs run by the GOG are counternarcotics campaigns in the standard curriculum of secondary schools.

IV. U.S. Policy Initiatives and Programs

Bilateral Cooperation. There have been no State department-funded drug programs in Guinea, although funds for assistance might become available beginning in 2009. In 2007, the U.S. Coast Guard provided seamanship and maritime law enforcement training to Guinea.

The Road Ahead. Guinea is simply too poor to reduce the onslaught of drug traffickers. It will need training and equipment assistance from the international community and support over years before it will be in a position to effectively enforce its anti-narcotics laws. The USG will work to support needed training and equipment assistance from the international community and to develop Guinea's capacity to effectively enforce its anti-narcotics laws.

Iran

I. Summary

The Islamic Republic of Iran is a major transit route for opiates smuggled from Afghanistan and through Pakistan to the Persian Gulf, Turkey, Russia, and Europe. The largest single share of opiates leaving Afghanistan (perhaps 60 percent) passes through Iran to consumers in Iran itself, Russia and Europe. There is no evidence that narcotics transiting Iran reach the United States in an amount sufficient to have a significant effect. There are some indications that opium poppy cultivation is making a comeback in Iran, after a long period during which poppy cultivation was negligible. There are at least 3 million opiate abusers in Iran, and probably more, with 60 percent reported as addicted to various opiates and 40 percent reported as casual users. With record levels of opium production in nearby Afghanistan, the latest opiate seizure statistics from Iran indicate Iran is experiencing an epidemic of drug abuse, especially among its youth.

There is overwhelming evidence of Iran's strong commitment to keep drugs leaving Afghanistan from reaching its citizens. As Iran strives to achieve this goal, it also prevents drugs from reaching markets in the West. Iran claims that more than 3,500 Iranian law enforcement personnel have died in clashes with heavily armed drug traffickers over the last two decades, and Iran reports that 46 more died in the first seven months of 2007. Iran undoubtedly does lose many security forces during engagements with drug traffickers. But there is also a long simmering Baluch ethnic insurgency and general lawlessness in the same geographical region; it is not clear what proportion of Iran's reported personnel losses in this region come solely from narcotics-related engagements.

Iran spends a significant amount on counter drug-related activities, including interdiction efforts and treatment/prevention education. Estimates range from \$250 million to as much as \$800 million each year, depending on whether treatment and other social costs are included. Iran claims to have invested upwards of \$1 billion in its elaborate series of earthworks, forts and deep trenches to channel potential drug smugglers to areas where they can be confronted and defeated by Iranian security forces. Nevertheless, traffickers from Afghanistan and Pakistan and Iran itself continue to cause major disruption along Iran's eastern border. Iranian security forces have had excellent seizure results for the last several years by concentrating their interdiction efforts in the eastern provinces.

Iran is a party to the 1988 UN Drug Convention, but its laws do not bring it completely into compliance with the Convention. The UNODC is working with Iran to modify its laws, train the judiciary, and improve the court system.

II. Status of Country

Iran is a transit country and a major consumer country of opiates and hashish. Entering from Afghanistan and Pakistan into eastern Iran, heroin, opium, and morphine are smuggled overland, usually to Turkey. Drugs are also smuggled by sea across the Persian Gulf, and some small share finds its way to Iraq. Although China is estimated to have the largest number of opiate abusers, Iran is itself a major opiate consuming country, with the highest share of population abusing opiates in the world. The UNODC estimates that 2.8 percent of the Iranian population between the ages of 15 to 64 used opiates in 1999 (latest complete survey data available). A 2005 Quick Assessment drug use survey conducted by Iranian authorities, confirmed the accuracy of the earlier 1999 survey on drug abuse.

Many Iranian practitioners, especially in the treatment community, argue that the share of opiate abusers now is even higher than 2.8 percent of the population. Nevertheless, 2.8 percent is very high. It is almost five times the rate of opiate abuse in the U.S. (.6 percent). A continuing high share of unrefined opium in total opiate seizures made by Iranian enforcement (ca. 60 percent) through the first seven months of 2007 suggests that drug traffickers in Afghanistan have consciously decided to serve a growing opium market in Iran. Continuing large seizures of heroin and morphine base demonstrate no loss of interest among Afghan traffickers in meeting growing demand for heroin in Iran itself, and in Russia and Western Europe. These choices by traffickers and the record opium crops in Afghanistan over the last few years are contributing to what can only be termed an epidemic of opiate abuse in Iran.

III. Country Actions against Drugs in 2007

Policy Initiatives. Iran might have swung back to emphasizing interdiction, as opposed to prevention/treatment as a response to its domestic narcotics abuse problems. Among the signs of increased emphasis on interdiction is a sharp increase in the number of enforcement personnel said to be engaged in drug interdiction (from 30,000 to 50,000), changes in leadership of interdiction forces, and reports that certain enforcement units are now equipped with more high tech equipment to counter drug traffickers. Among the types of gear claimed to be in use now are: unmanned surveillance vehicles, real-time commercial satellite imagery, and night vision equipment. Some of the equipment was supplied to Iran under western-backed assistance programs. Iran's number-one-in-the-world seizure results can be pointed to as the "payoff" from this heavy investment in interdiction. But, even with exceptionally good results for opiate seizures projected for 2007, Iran might only be seizing 7.6 percent of Afghanistan's 2006/07 opium harvest (615 MT out of a total 8000 MT produced), and perhaps only a slightly higher share (12.8 percent-615 MT of an estimated 4800 MT) of the Afghan opium said to have entered Iran. So as Iran's own reports on narcotics issues suggest, the only real solution for Iran is success in limiting opium production in Afghanistan.

Law Enforcement Efforts. UNODC Executive Director, Antonio Maria Costa visited Iran's Drug Control Headquarters in late 2006. Costa praised Iran's enforcement efforts and thanked Iran for preventing important quantities of opiates and other dangerous drugs from reaching markets in the West.

Iran pursues an aggressive border interdiction effort. A senior Iranian official told the UNODC that Iran had invested as much as \$1 billion in a system of mud walls, moats, concrete dams, sentry points, and observation towers, as well as a road along its entire eastern border with Pakistan and Afghanistan.

According to an official GOI Internet site, Iran has installed 212 border posts, 205 observation posts, 22 concrete barriers, and 290 km of canals (depth-4 m, width-5 m), 659 km of soil embankments, a 78 km barbed wire fence, and 2,645 km of asphalt and gravel roads. It also has relocated numerous border villages to newly constructed sites, so that their inhabitants are less subject to harassment by narcotics traffickers. While this elaborate system of fortifications no doubt plays an important role in narcotics control, Iran invested in this extensive barrier-type construction and fortification system on its eastern border region many years ago, well before the burgeoning drug problem started in the mid-1990's, as security protection against a general lawlessness along its eastern border.

Some villagers organized into self-defense forces (Basij) have received training from the Iranian government, and on occasion even launch offensive operations against traffickers, bandits and

ethnic insurgents. (Basij units also play a broader political role and are associated with suppression of internal dissent; the Basij fall under the authority of Iran's Revolutionary Guard Corps, an Iranian government entity designated under U.S. law for its support of terrorism). Security forces also periodically clash with Baluch tribesmen who are seeking more autonomy from the central governments in Iran and Pakistan in a long simmering conflict. These tribesmen are also an important element in narcotics trafficking and have traditionally smuggled goods across regional borders. Finally, there are numerous Afghan displaced persons and refugees on both sides of Iran's eastern border; some share of them also participate in drug trafficking. As a result, all three elements of lawlessness-narcotics trafficking, ethnic insurgency and smuggling occur simultaneously complicating the situation along Iran's eastern border.

Iran claims that 50,000 law enforcement personnel are regularly deployed along its border with Afghanistan and Pakistan. Interdiction efforts by the police and the Revolutionary Guards have resulted in numerous drug seizures. Iranian officials seized almost 360 metric tons (MT) of opiates (opium equivalent) during just the first seven months of 2007. Opiate seizures projected out for all of 2007—on track to be about 92 MT more than 2006—would set a new record for Iran's seizures of opiates (615 MT). Seizures at rates like those claimed in Iran surely strike a blow at narcotics criminals and their financiers. Iran and Pakistan alternate as the countries with the highest volume of opiate seizures in the world.

Iranian opiate seizures in the first seven months of 2007 demonstrated the following interesting trends:

Unrefined (raw) opium seizures continued to increase sharply; projected out for the year, they were on track to increase by 18.7 percent to 369.6 MT, a new record for Iranian raw opium seizures. Seizures of refined opiates (morphine base and heroin) projected out for the whole of 2007 are also on track to rise, but by a more modest 15.5 percent above their 2006 level;

The share of raw opium in total opiate seizures was 60.1 percent, a relatively high level in line with recent years' results. Given the weight and bulk advantage of shipping opiates as either heroin or morphine base (1/10th the weight and bulk), it would seem that trafficking groups in Pakistan and Afghanistan have made a conscious decision to serve the large and growing market for opium in Iran;

Heroin seizures were 25.6 percent of all opiates seized (opium equivalent), sharply up from last year's roughly 20.3 percent share; not since 1992 has the share of heroin seized been this high;

Morphine base seizures projected for the whole of 2007 were on track to decline by 16.6 percent and the share of seized morphine base in total opiates seized fell to just 14.3 percent of the total. Refineries in Afghanistan seem to be turning out more heroin, as opposed to morphine base. A large share of heroin and almost all of the morphine base transiting Iran is headed for markets in Europe (heroin) or for further refining (morphine base), and then on to markets in Europe.

NB. To compute shares of opiates seized in Iran accurately, we convert morphine base and heroin into opium equivalents by multiplying by a factor of ten.

Hashish seizures in Iran in 2006 were 59.5 MT. This represents a decline in seizures of 11.6 percent from seizures of 67.3 MT during all of 2005. Hashish seizures during the first seven months of 2007 were 55.6 MT. If this rate of hashish seizures could be sustained for the whole of 2007, total seizures for the year would increase by 70 percent over 2006's results and set a new record at 95.3 MT. Even under the assumption that Iranian enforcement has increased the efficiency with which they are seizing all drugs, these high seizure results for hashish together with

the equally high results for opiates suggest an across-the-board explosion in demand for all drugs in Iran.

Iran also reports a category of drug seizures which it labels simply “other”. This category of seizures, which probably represents seizures of synthetic drugs, and perhaps destruction of opium poppies and cannabis in place, has risen dramatically in the last several years. In 2003, “other” seizures were reported at 1,647 kg. Then in 2004 and 2005, seizures jumped to 12.4 MT and 13.5 MT, respectively. Seizures in this “other” category in the first seven months of 2007 were running at a 17.8 MT annual rate. If this rate of seizures/crop destruction could be maintained, it would represent a new high for this category. It is indicative of the overall drug problem in Iran that large quantities of synthetic drugs like Ecstasy and methamphetamine are seized there in addition to opiates. The considerable weight of drugs seized/burned also suggests that drug cultivation (poppy and cannabis) in Iran might be larger than previously thought. There have also been reports of the seizure/destruction of small synthetic drug laboratories in Tehran during 2007.

Drug offenses are under the jurisdiction of the Revolutionary Courts. Punishment for narcotics offenses is severe, with death sentences possible for possession of more than 30 grams of heroin or five kilograms of opium. Those convicted of lesser offenses may be punished with imprisonment, fines, or lashings, although it is believed that lashings have been used less frequently in recent years. Offenders under the age of 18 are afforded some leniency. More than 60 percent of the inmates in Iranian prisons are incarcerated for drug offenses, ranging from use to trafficking. Narcotics-related arrests in Iran during the first nine months of 2006 were running at an annual rate of almost 400,000, which is a typical level for the last several years. Twice as many drug abusers were detained as drug traffickers. Iran has executed more than 10,000 narcotics traffickers in the last two decades. As in other countries with serious drug abuse problems, many other crimes are associated with drug abuse; among these are armed robberies and assaults, home break-ins, and kidnappings for ransom.

Corruption. Corruption plays an important role in narcotics trafficking in Iran. Some corruption cases reached the courts in Iran, and were also featured in media reports, though few involving narcotics-related corruption. Although there is no specific indication that senior government officials aid or abet narcotics traffickers, comparison of the situation in Iran with that in other narcotics-transit countries suggests that in addition to corruption among lower/mid-level law enforcement, there is also probably involvement of higher level officials as financiers and protectors of narcotics traffickers. Nevertheless, punishment of corruption can be harsh, and the evidence is compelling that it is Iran’s official policy to keep drugs from its people. A high-profile effort is currently under way in Iran to highlight corruption and discourage its spread, but some question the seriousness of this campaign since some at the top levels of government administration appear to escape punishment, and live luxurious life styles beyond what their official incomes could explain. (Although it is widely agreed inside Iran that official corruption is widespread, much of this corruption is related not to drugs but rather to senior officials’ control of the huge industrial and trading conglomerates that control a majority of Iran’s legal economic activity). Iran has signed, but has not ratified, the UN Convention against Corruption.

Agreements and Treaties. Iran is a party to the 1988 UN Drug Convention; however, its legislation does not bring it completely into compliance with the Convention, particularly in the areas of money laundering and controlled deliveries. The UNODC is working with Iran through the NOROUZ Program to modify its laws, train the judiciary, and improve the court system. UNODC has also begun to implement new assistance projects for Iran’s courts and prosecutors after the recent Paris Pact review of Iran’s counternarcotics efforts. The new assistance, which is projected

to cost in excess of \$7.5 million, focuses on modernization of the courts, especially increased use of computerization in courts, transparency, and corruption reduction. Iran is also a party to the 1971 UN Convention on Psychotropic Substances, and the 1961 UN Single Convention as amended by the 1972 Protocol. Iran has signed, but has not yet ratified, the UN Convention on Transnational Organized Crime. Iran has shown an increasing desire to cooperate with the international community on counternarcotics matters. Iran is an active participant in the Paris Pact, a group of countries that actively seeks to coordinate efforts to counter opiate smuggling in Southwest Asia, and Iran hosted an expert round table and review of its counternarcotics efforts by this group in 2005.

Cultivation/Production. In 1998, and again in 1999, a U.S. survey of opium poppy cultivation in Iran and a detailed U.S. multi-agency assessment concluded that the amount of poppy being grown in Iran was negligible. The survey studied more than 1.25 million acres in Iran's traditional poppy-growing areas, and found no poppy production, although the survey could not rule out the possibility of some cultivation in remote areas. Iran is now generally viewed as a transit country for drugs produced elsewhere, but there are reports of opium refining near the Turkish/Iranian border. Recently, there have also been more indications in Iran's press of opium poppy cultivation in remote areas. The Iranian press reported in the spring and summer of 2006 about government interdiction force operations targeting opium poppy cultivation in isolated, mountainous regions of western Iran, northwest of Shiraz. They quote Iranian government officials who link the small-scale cultivation to the poverty of communities living in these isolated regions. But this indication that at least poppy production remains marginal contrasts with large reported seizures/destruction of drugs in the Iranian seizure category labeled "other". There is insufficient information to resolve this apparent contradiction, but the majority of observers view drug crop cultivation in Iran itself as marginal. Most refining of the opiates moving through Iran is done elsewhere, either in Afghanistan or in Turkey.

Drug Flow/Transit. Shipments of opiates enter Iran overland from Pakistan and Afghanistan by camel, donkey, or truck caravans, often organized and protected by heavily armed ethnic Baluch tribesmen from either side of the frontier. Once inside Iran, large shipments are either concealed within ordinary commercial truck cargoes or broken down into smaller sub-shipments. The Iranian town of Zahedan is reportedly a center for the opiate trade as it first enters Iran, and then moves westward. The Iranian government has tried to counter this problem by assigning a drug enforcement unit headquarters in Zahedan. Foreign embassy observers report that Iranian interdiction efforts have disrupted smuggling convoys sufficiently to force smugglers to change tactics and emphasize concealment more than they have in the past. The use of human "mules" is on the rise. Individuals and small groups also attempt to cross the border with two to ten kilograms of drugs, in many cases either ingested for concealment or hidden in backpacks or hand luggage. Trafficking through Iran's airports also appears to be on the rise, with numerous reports that couriers transit Iranian airports, bound for foreign destinations. There are even foreign trafficking rings operating in Iran, as was revealed recently when a large international trafficking group led by Africans and shipping drugs worldwide was apprehended. Still, many local traffickers in Iran move drugs in large armed convoys on Iran's eastern border, and are ready for a fight if challenged. Interestingly, expatriate Iranian nationals play a prominent role in narcotics trafficking in Japan, though the drug of choice there is methamphetamine not opiates.

A large share of the opiates smuggled into Iran from Afghanistan is smuggled to neighboring countries for further processing and transportation to Europe. Turkey is an important transit point for these opiates, most of which are bound for consumption in Russia and Europe. Some refining of opiates takes place in the Kurdish areas of Turkey, and in other parts of Eastern Turkey. A large

share of the morphine base, which represented almost 14.4 percent of all opiates seized in the first seven months of 2007, in Iran, is moving west for additional refining. Important quantities of the approximately 25 percent of opiates moving as heroin also transit Turkey on their way to Europe, while some heads to Russia. Significant quantities of raw opium are consumed in Iran itself, but some raw opium also moves on to the west as opium, while the largest share of opium, not consumed in Iran, is refined and consumed as heroin in Europe, and elsewhere. There is a northern smuggling route through Iran's Khorasan Province, to Turkmenistan, to Tehran, and then on to Turkey. The mountains and desert, which are sparsely populated along this route, make it hard to police. Traffickers are frequently well armed and dangerous, and residents appear complicit.

The southern route also passes through sparsely settled desert terrain, then passes through Tehran on its way to Turkey; some opiates moving along the southern route detour to Bandar Abbas and move by sea to the Persian Gulf states. Bandar Abbas also appears to be an entry point for precursor chemicals moving to refineries in Afghanistan. Such movement is facilitated by the fact that the goods are "in transit" and never officially clear customs and enter Iran. Iran actively participates in the international systems for pre-notification of exports for precursor chemicals, and maintains a licensing and inspection regime for domestic firms authorized to use dual-use precursor chemicals. Iran has also made a number of important seizures, mostly at Bandar Abbas, of acetic anhydride, used in the refining of heroin. All precursor chemicals seized were consigned to Afghanistan. Trafficking through Iran is facilitated by wide-spread smuggling traditionally used to provide necessities and small luxuries like TV satellite dishes, and to escape high taxation. There are also reports that enforcement authorities accept bribes to pass shipments, and fail to enforce laws that prohibit street sales of narcotics and other contraband inside of Iran.

Azerbaijan and Armenia provide alternative routes to Russia and Europe that bypass Turkish interdiction efforts. Additionally, despite the risk of severe punishment, marine transport is used through the Persian Gulf to the nations of the Arabian Peninsula, taking advantage of modern transportation and communication facilities and a laissez-faire commercial attitude in that area. The UAE is a prominent transshipment destination and small loads of opiates are smuggled across the Persian Gulf to be placed in containerized cargo shipments. Hashish moves extensively along this route, as well. Oman and Dubai appear to be important destinations, but some Iranian hashish even finds its way to Iraq. Iranian enforcement officials have estimated that as much as 60 percent of the opium produced in Afghanistan in past years entered Iran, with as much as 700-800 metric tons of opium consumed in Iran itself by its 3 million plus users.

Domestic Programs (Demand Reduction). Smoked opium is the traditional drug of abuse in Iran, but opium is also drunk, dissolved in tea. Opium and its residue are also injected by a small number of addicts. Iranians have clearly been using more heroin during the past several years. Heroin has not replaced opium, the traditional drug of choice in Iran, but the share of heroin in Iran's total opiate seizures has been rising since the mid-eighties and reached more than 25 percent (opium equivalent) in the first seven months of 2007. Afghan traffickers are also apparently shipping proportionally less morphine base.

Continuing large seizures of opium by Iranian enforcement suggest that opium is readily available in Iran. Some heroin is smoked or sniffed, but a growing share is injected. There are also many reports that young people in Iran have turned aggressively to drug abuse as an escape from what they perceive as difficult economic and social conditions. Significant seizures of synthetic drugs are also regularly reported, and this year there were reports that synthetics were being produced in Iran itself. Since synthetic drugs are favored by young people, this suggests that they are driving drug abuse in Iran to even higher levels. There have also been regular reports of a concentrated or

“crack” heroin, which is reportedly more pure than other heroin available in Iran. Where the standard rule-of-thumb holds that 8.5 to 10 units of opium are necessary to make one unit of heroin, crack heroin reportedly requires 15-20 units of opium input. Because of its intensity, crack heroin is associated with increased emergency room visits, and overdose deaths. Typical of comments appearing in the Iranian press is one report, quoting the head of Tehran’s Specialist Treatment Addiction Center saying that “crack heroin” use in Tehran had doubled in 2006. Seventy-five percent of all drug addicts reporting to the Center are users of crack/crystal heroin. Due to its highly addictive properties and very high purity/intensity, many addicts had died after injecting crystal heroin, according to the Director.

Ninety-three percent of Iranian opiate addicts are male, with a mean age of 33.6 years, and 1.4 percent (about 21,000) are HIV positive. The scale of the drug abuse problem in Iran forces it into the public arena. Under the UNODC’s NOROUZ narcotics assistance project, the GOI spent more than \$68 million dollars in the first year of project implementation for demand reduction and community awareness. The Prevention Department of Iran’s Social Welfare Association runs 12 treatment and rehabilitation centers, as well as 39 out-patient treatment programs in all major cities. A total of 88 out-patient treatment centers spread throughout Iran are now operational. Some 30,000 people are treated per year, and some programs have three-month waiting lists. Narcotics Anonymous and other self-help programs can be found in almost all districts, as well as several NGOs, which focus on drug demand reduction. There are now methadone treatment and HIV prevention programs in Iran, in response to growing HIV infection, especially in the prison population.

IV. U.S. Policy Initiatives and Programs

Policy Initiatives. In the absence of direct diplomatic relations with Iran, the United States has no counternarcotics initiatives in Iran. The U.S. Government continues to encourage regional cooperation against narcotics trafficking. Iran and the United States have expressed similar viewpoints on illicit drugs and the regional impact of the Afghan drug trade. In the context of multilateral settings such as the UN’s Paris Pact group, the United States and Iran have worked together productively. Iran nominated the United States to be coordinator of an earlier UN-sponsored coordination effort on narcotics called the “Six Plus Two” counternarcotics initiative. The U.S., for its part, has approved licenses which allow U.S. NGOs to work on drug issues in Iran.

The Road Ahead. The GOI has demonstrated sustained national political will and taken strong measures against illicit narcotics, including cooperation with the international community and costly interdiction of drugs moving into and through its territory. Iran’s actions support the global effort against international drug trafficking, and have won the praise of such knowledgeable observers of the international effort against narcotics as UNODC Director, Antonio Maria Costa. Should broader bilateral policy events in the future provide an occasion for any U.S.-Iranian information exchange or cooperation on any official policy area, drug education or enforcement may be an early area for examination. Iran stands to be one of the major benefactors of any long-term reduction in drug production/trafficking from Afghanistan, as it is one of the biggest victims of the recent increase in opium/heroin production there now. The United States anticipates that Iran will continue to pursue policies and actions in support of efforts to combat drug production and trafficking.

Iraq

I. Summary

Senior Iraqi Government officials acknowledge that illicit drugs enter Iraq from Iran, some to be used by Iraqis, but most transshipped south out of Basra or north through Iraqi Kurdistan. However, officials deny that illicit narcotics are a major problem in Iraq. Indeed, faced with an active insurgency and intense sectarian violence, the Government of Iraq (GOI) maintains no drug-abuse-specific statistics. The Iraqi Ministry of the Interior (MOI) has reported no known production of illicit drugs in Iraq. The MOI, which also supervises the Border Security Police, does not track narcotics-related arrests or seizures.

According to the Ministry of Health (MOH), the health system is under-resourced and overwhelmed by trauma cases. Given the relatively modest drug abuse problems in Iraq, the MOH has not organized special treatment options for drug abuse. There are no controls over prescription drugs and no GOI focus on illegal drug use. Smuggling or theft of chemicals of any sort is usually related to bomb-making activities, not drug manufacture or abuse. Money laundering is widely employed to support sectarian militias and/or terrorist groups, but is less apt to be used to launder the proceeds of narcotics sales. The availability of both chemical precursors and money laundering networks illustrate Iraq's vulnerability to narcotics trafficking should the security environment improve. The three GOI anti-corruption agencies reported no corruption cases involving narcotics. Iraq is a party to the 1988 UN Drug Convention.

II. Status of Country

Iraq is not a significant producer of illicit drugs or precursor chemicals. U.S.D.A. (Department of Agriculture) advisors in Iraq opined that most of Iraq is too arid to grow plants that could be used for illicit drugs. In the south, where sufficient water is available, efforts to farm marijuana instead of rice have not succeeded. Due to its geographical location near drug-producing countries (Afghanistan) and drug-consuming or transshipping countries (Iran), Iraq is a transit country for illicit drugs. Iraq's vast desert borders and tenuous security situation make it vulnerable to illicit drug smuggling operations. However, due to numerous military checkpoints and subversive activity outside of military-controlled areas, the amount of narcotics being smuggled in and through Iraq is estimated to be low. Iraq is not a major drug-consuming country: most Iraqis (80 percent of whom currently receive food rations from the government) would seem hard-pressed to find the cash to support a drug habit.

III. Country Actions Against Drugs

Policy Initiatives. The U.S. Department of Defense (DoD), in conjunction with the Department of State (DoS) Bureau of International Narcotics and Law Enforcement (INL), has begun an extensive training program for Iraqi Border Security Agents. This basic skills training program for Iraqi Border Security Forces includes a module on narcotics.

Law Enforcement Efforts. While Iraq lacks a coordinated national anti-narcotics effort, several Iraqi police commanders have requested training from the U.S. in identifying and prosecuting narcotics traffickers. The U.S. DEA has sent test kits for narcotics to several police units. Training in how to use these kits is done by U.S. contractors. Several provinces have anti-narcotics units and have requested funding, training and equipment for forensics laboratories to assist them in

enforcing the strict anti-narcotics laws. To date, the GOI does not have official statistics on arrests and convictions for narcotics-related crime. The Iraqi Ministry of Justice (MOJ) reports that the vast majority of inmates confined in Iraq's prisons are there on terrorism-related charges. U.S. Customs and Border Protection (CBP) provides advisory and training assistance to Iraqi Department of Border Enforcement officials at high threat locations along Iraq's borders. CBP also provides assistance to Iraqi Customs, Immigration, and Border Guards to help ensure their policies, procedures, and capabilities enhance Iraqi border control efforts.

Corruption. While corruption is a serious problem in Iraq, Iraqi officials do not seem to be involved with narcotics-related corruption. Before 2003, the GOI enforced strict prohibitions on narcotics abuse; current Iraqi cultural norms discourage recreational drug use. Consequently, current GOI officials are not viewed as encouraging or facilitating illicit production or otherwise supporting drug-trafficking. INL has provided \$21 million in assistance from the FY-07 supplemental budget to train Iraqi anti-corruption agencies. Thus far, none of the corruption investigations undertaken have involved narcotics.

Agreements and Treaties. Iraq is a party to the 1988 UN Drug Convention, the 1961 UN Single Convention as amended by the 1972 Protocol and the 1972 UN Convention on Psychotropic Substances.

Drug Flow/Transit. Iraq is primarily a narcotics transit country. This presents many challenges for its new government. The border area, where most of the smuggling occurs, continues to experience violence and instability. The Commander of the Iraqi Drug Squad in the northern Kurdish province of Sulaymaniyah reported 117 arrests for drug smuggling over the past two years. His squad sees opium, heroin, and cannabis coming over the border in mule trains, cars and trucks operated by Iranian gangs. He reports that the drugs are moved on to Turkey, where the opium is refined into heroin. From there, the drugs move on to Western Europe.

Domestic Programs. With its current focus on anti-insurgency operations, the GOI has no domestic programs to respond to the relatively few instances of narcotics-related problems. There are no prescription drug controls in Iraq. Health officials believe that Valium, a drug found in Iraqi correctional facilities and health institutions, is the drug most commonly abused by the Iraqi population.

IV. U.S. Policy Initiatives and Programs

Road Ahead. The USG will continue to support the training of the Iraqi Defense Forces, the Iraqi Police, the anti-corruption agencies, the Border Security Forces, and economic policy-makers in terms of agriculture and banking. The U.S. will encourage Iraq to direct more resources towards narcotics-related crime and abuse, and will assist Iraqi ministries to improve their capacity in preparation for a period when improved security permits a more typical enforcement effort.

Israel

I. Summary

Israel is not a significant producer or trafficking point for drugs. The Israeli National Police (INP), however, report that in 2007 the Israeli drug market continued to be characterized by a high demand in nearly all sectors of society, and a high availability of marijuana, hashish, Ecstasy, cocaine, heroin and LSD. The intense security presence and surveillance along Israel's borders generally make it difficult for smugglers to bring drugs into the country. Consequently, Israel is not a significant transit country for drugs, although there was an increase in the transit of heroin through Israel from Jordan to Egypt. Israeli citizens have also been part of international drug trafficking networks in source, transit and distribution countries. In 2007, Ecstasy drug seizures remained generally consistent with those of previous years, with the exception of a one-time seizure of 777,000 Ecstasy tablets. Israel is a party to the 1988 UN Drug Convention.

II. Status of Country

Israel is not a major producer of narcotics or precursor chemicals. The INP report that during the year 2007 the Israeli drug market was characterized by a high demand in nearly all sectors of society and a high availability of drugs, including marijuana, Ecstasy, cocaine, heroin, hashish and LSD. The INP estimates the annual scope of the Israeli market to be 80-100 metric tons of marijuana, 25 metric tons of hashish, 20 million tablets of Ecstasy, three metric tons of heroin, six metric tons of cocaine, and hundreds of thousand of LSD blotters. Officials are also concerned about the widespread use of Ecstasy and marijuana among Israeli youth, and say that juvenile usage mirrors trends in other Western countries. There is widespread concern about the abuse by minors of household items as inhalants, and the availability of chemical analogs of banned substances not explicitly prohibited under the law.

III. Country Actions Against Drugs in 2007

Policy Initiatives. In 2007, the INP continued its general policy of interdiction at Israel's borders and ports of entry. The INP concentrated specifically on the Jordanian and Egyptian borders, where the majority of heroin, cocaine and marijuana enter Israel. Israel established a new Pharmaceutical Crime Unit (PCU) in the Ministry of Health, with a mandate to monitor prescription drug diversion, anabolic steroids, and designer drugs. The PCU is currently investigating the black market in Subutex (A licit, prescription opiate used in drug treatment) and illegal trafficking in prescription drugs such as Ritalin. The PCU will be attaching a "roving pharmacist" to the Customs Authority at points of entry.

Law Enforcement Efforts. Some seizure statistics have been revised from last year's report. In 2007, the INP recorded seizures of marijuana totaling 1,465 kg, down from 5,957 kg in 2006. To some extent, this reflects a market substitution of hashish for marijuana, although hashish seizures also declined to 734 kg, down from 964 in 2006. Heroin and cocaine seizures remained fairly constant at 94 kg and 35 kg respectively, as did LSD at 1,932 blotters. The INP opened 22,830 total drug offense files in 2007, a small decrease of 0.7 percent from the previous year. Of these, 14,750 were for use of dangerous drugs, 3,016 for trafficking in dangerous drugs, and 4,771 for possession of drugs in quantities indicating they could not solely be for personal use.

Drug Seizures*

Cocaine (kg)	
2007	35
2006	42
2005	169
2004	32.4
Heroin (kg)	
2007	94
2006	70.3
2005	140
2004	68.5
Marijuana (kg)	
2007	1,465
2006	5,032
2005	10,000
2004	16,020
Hashish	(kg)
2007	734
2006	898
2005	1,022
2004	913
LSD (blotters)	
2007	1,932
2006	11,476
2005	2,880
2004	75,741
MDMA (Ecstasy tablets)	
2007**	891,300
2006	112,985
2005	266,996
2004	313,802

Opium (kg)	
2007	0.0
2006	0.1
2005	8.4
2004	0.05
Cathinone (kg)	
2007***	0.0
2006	8.7
2005	7.2
2004	N/A

*2007 data represents seizures from January through November.

Source of data: Israel National Police, Research Department.

**Of the 891,300 Ecstasy tablets seized in 2007, 777,000 were seized from one container in the port of Haifa arriving from Europe.

***Availability of Cathinone diminished after it was banned under Israeli law, but authorities continue to pursue analogs of the drugs.

The Government of Israel has taken steps to clarify a legal grey area concerning chemical analogs of illegal drugs, termed “dangerous substances.” Through slight alterations in the chemical components of drugs such as cathinone, GHB, and amphetamines, vendors have avoided conviction under existing legislation. As a result, many of the dangerous substances are readily available in city kiosks and are popular among youth. Municipal police, in cooperation with the Ministry of Health and the Israel Anti-Drug Authority, stage regular raids on kiosks that sell the analogs and are authorized to shut them down for one month. The inter-ministerial Committee on Psychoactive Drugs studies new drug trends, and makes recommendations for amendments to existing legislation. In 2007, the law was amended to include several new synthetic drugs now prevalent in Israel. Bans on 12 other substances are set to take effect on January 1, 2008.

Corruption. As a matter of government policy, Israel does not encourage or facilitate the illicit production or distribution of narcotic or psychotropic drugs or other controlled substances, or the laundering of proceeds from illegal drug transactions. In 2007, a number of public officials were under investigation for corruption-related offenses. Israel has signed, but not ratified, the UN Convention against Corruption. Israel does not have specific legislation for public corruption related to narcotics, but narcotics-related corruption is covered under its generic anticorruption legislation.

Agreements and Treaties. Israel is a party to the 1988 UN Drug Convention, the 1971 UN Convention on Psychotropic Substances, and the 1961 UN Single Convention on Narcotic Drugs as amended by the 1972 Protocol. A customs mutual assistance agreement and a mutual legal assistance treaty are also in force between Israel and the U.S. Israel ratified the UN Convention against Transnational Organized Crime in December 2006. Israel has been a member of the Commission on Narcotic Drugs in the UN Office on Drugs and Crime (UNODC) since 2003, and

was elected to a new term on January 1. Israel has signed but not yet ratified the UN Convention against Corruption. Israeli companies participate in UN operations Topaz and Purple to restrict the abuse of precursor chemical substances. Israel is one of 36 parties to the COE European Treaty on Extradition and has separate extradition treaties with several other countries, including the U.S. Under the umbrella of the UNODC, Israel has restarted bilateral cooperation with the Palestinian Authority on reducing demand and supply of narcotics. Israel also cooperates on a regular basis with the Anti-Narcotics Department in Jordan. This has resulted in increasingly effective control of the Israel-Jordan border area, as reflected in interdiction figures.

On January 10, 2007, a new Protocol to the Convention on Extradition between the United States and Israel entered into force. Significantly updating the 1962 convention, the Protocol replaces the outdated list of extraditable offenses with a modern dual criminality approach and provides for the temporary surrender for trial in the Requesting State of fugitives serving a prison sentence in the Requested State. In combination with Israeli domestic extradition law, the Protocol also provides a much-improved framework for dealing with fugitives who claim Israeli citizenship and residency and allows inclusion of hearsay evidence in U.S. extradition documents. Israeli domestic law regarding lapse of time in certain circumstances, however, may prohibit extradition of fugitives whose cases are more than 10 years old. This issue is being litigated in a pending U.S. extradition request for an alleged pedophile, who has been wanted for prosecution since 1985.

Cultivation/Production. The vast majority of drugs consumed in Israel are produced in other countries. The INP reported a continuing trend in the development of domestic marijuana hydroponics cultivating stations, with four grow operations raided in 2007 and ten in 2006. The hydroponics greenhouses/incubators were discovered in otherwise uninhabited rental homes in the more affluent central region of Israel, and the homes had been converted for the purpose of fulltime marijuana cultivation. The INP is currently researching whether such operations have succeeded in significantly increasing the THC content in marijuana. Domestically produced analogs of Ecstasy, dimethyl cathinone, and amphetamines were manufactured and available in many urban kiosks under a wide variety of ever-changing names. Cathinone is extracted from the “khat” plant, which is legal in Israel and widely cultivated within Israel’s Yemenite and Ethiopian immigrant communities. The INP seized 27 kg of paracetamol and other chemical substances in the Negev region, used by Bedouin smugglers to cut heroin.

Drug Flow/Transit. The intense security presence and surveillance along Israel’s borders generally makes it difficult for smugglers to bring drugs into the country. Thus, Israel is not a significant transit country for drugs, although Israeli citizens have been part of international drug trafficking networks in source, transit and distribution countries. As a result of the 2006 Second Lebanese War, security was tightened in the north, more drugs smugglers increased activity across the relatively peaceful borders with Jordan and Egypt, where Israel has fewer security resources deployed.

In 2007, Israel continued to be more of a transit country than a distribution country for heroin, with heroin primarily flowing from Jordan through Israel en route to Egypt. The Negev Bedouin tribes, using their knowledge of the desert terrain and their familial connections with Jordanian and Egyptian Bedouin, continued to facilitate most of the heroin trafficking across Israel. The INP reports that in 2007, 9.3 kg of heroin was seized on the Egyptian border, 23 kg on the Jordanian border, and 9.98 kg on the Lebanese boarder. The Israeli Bedouin trade the heroin in Egypt for cash, Moroccan hashish and marijuana, for which there is a large Israeli market. 36 percent of the hashish and 87 percent of the marijuana seized by INP in 2007 was interdicted at the Egyptian

border. This year, Moroccan and Afghan hashish traded across the Egyptian boarder largely displaced the previous source countries of Lebanon and Jordan.

The Customs division of the Israel Tax Authority (ITA) plays a key role in interdicting the transit of drugs through Israel's ports. In cooperation with the INP, 25 kg of heroin was discovered by the ITA in four operations along the Jordanian border; 13 kg of hashish was found in the Tel Aviv mail; 600g of cocaine was found in CD packages at Ben Gurion airport; ITA also detected the shipment of hundreds of thousands of Ecstasy tablets through the port of Haifa, along with 30kg of MDMA.

Domestic Programs/Demand Reduction. The Israel Anti-Drug Authority (IADA) is the primary agency responsible for designing and implementing domestic programs to reduce the demand for drugs. In 2007, the IADA implemented treatment programs targeted to women, youth, new immigrants, and other specific segments of the population. Israel pursues a harm-reduction approach in conjunction with aggressive enforcement, offering counseling, sanitary services, food, and needle exchange at clinics distributed throughout the country. If addicts are willing, they are taken directly to treatment facilities, where they cease taking drugs and have access to professional training and family therapy.

In 2007, the Ministry of Education and the IADA agreed to integrate drug prevention as a mandatory part of the school curriculum for all ages. The IADA is now providing instruction to K-12 teachers on how to conduct drug education. The Israel Defense Forces also agreed in 2007 to allow the IADA to provide drug prevention education to soldiers entering and exiting the military. In 2007, the IADA spearheaded the introduction of a prototype mobile drug detection unit that will be used to prevent the operation of motor vehicles by drivers under the influence. In an amendment to existing legislation, the GOI determined in 2007 that anyone refusing a drug or alcohol test will be considered under the influence. In 2007, alcohol abuse was added to the Authority's mandate.

IV. U.S. Policy Initiatives and Programs

Bilateral Cooperation. DEA Country Office In Nicosia, Cyprus and Israeli officials characterize cooperation between the DEA and INP as outstanding. The ITA also maintains direct cooperation with Immigration and Customs Enforcement offices in Rome, and has conducted joint anti-smuggling operations. There is a monthly bilateral exchange on major drug seizures in both countries. The Pharmaceutical Crime Unit works directly with the DEA on anabolic steroid efforts, and will be receiving a course on dual-use drug precursor diversion in 2008.

Road Ahead. The DEA Country Office in Nicosia, Cyprus looks forward to continued cooperation and coordination with its counterparts in the Israeli law enforcement community. The INP is seeking to strengthen relationships between law enforcement agencies in other countries, and works through the Office of International Relations within the IADA to pursue this objective. Scientists at the IADA would like to establish a relationship with the National Institute on Drug Abuse and the Office of National Drug Control Policy, to facilitate exchanges between the two agencies.

Jordan

I. Summary

Jordan's geographical location between drug producing countries to the north and east and drug consuming countries to the south and west continues to make it primarily a transit point for illicit drugs. This being the case, the Public Security Directorate (PSD) perceives that the amount of drugs transiting through Jordan continues to grow. Historically, Jordanians do not consume significant quantities of illegal drugs, and according to the PSD there are no known production operations in the country. Statistics for the first 11 months of 2007 show total drug cases for the year will be on par with the numbers from 2006. The number of persons involved and the number of abusers are also consistent with those from 2006. The PSD attributes the lack of any substantial increases to Jordan's enhanced rehabilitation programs, increased border interdiction operations, better intelligence gathering, and stronger cooperation between Jordan and neighboring countries. The drugs of choice among users arrested for drug possession in Jordan continue to be cannabis and heroin. The age range for people arrested for drug related crimes is predominantly between 18 and 35 years old. The PSD continues to see an increase in drug trafficking through its border regions, especially with Iraq, and drugs transiting Queen Alia International Airport (QAIA). Jordan is a party to the 1988 UN Drug Convention.

II: Status of Country

There are currently no indications that Jordan will move from a predominantly drug transit country to a drug producing country. Statistics produced by the PSD-AND (Public Security Directorate-Anti-Narcotics Agency) confirm this assessment. Jordan's vast desert borders make it vulnerable to illicit drug smuggling operations. Jordanian authorities do not believe that internal drug distribution is important; they believe most drugs entering Jordan are moving to markets elsewhere.

III: Country Actions Against Drugs in 2007

Policy Initiatives. Jordan continues its drug awareness campaign focused on educating people of the dangers of drug use. This includes providing educational presentations in schools and universities throughout the country. The PSD-AND has created a program it calls "Friends of the AND." This program sends volunteer civilians into the schools, universities, and other community centers to speak out against drug usage. Jordan has also implemented an outreach program for the country's religious institutions whereby some Imams are trained and given literature on drug prevention topics for inclusion in religious services. Jordan publishes a number of brochures and other materials aimed at educating Jordan's youth on the dangers of drug abuse. Jordan is in its third year of producing cartoons aimed at younger children designed to dissuade youngsters from trying drugs. Jordan will be taking this program to the next level when it will make counternarcotics abuse movies directed at Jordanian youths in the near future. PSD publishes an anti-narcotics magazine, and maintains a website in English and Arabic for drug abuse awareness and prevention (<http://www.anti-narcotics.psd.gov.jo/English>).

Jordan has also worked with the UNODC in providing drug prevention training. In early 2006, Jordan provided the first of a series of drug interdiction training to Palestinian anti-narcotics officers. In mid 2007, Jordan was included in a regional program to increase access to prevention services for drug use and HIV/AIDS in prison settings. In late 2007, Jordan implemented a

program to strengthen community resources in providing drug abuse treatment and rehabilitation for vulnerable groups in the country.

Law Enforcement Efforts. Jordan's PSD maintains an active anti-narcotics bureau, and established excellent relations with the U.S. Drug Enforcement Administration (DEA), Nicosia Country Office based in Cyprus. PSD-AND has seen an increase in cocaine and other drug trafficking through QAIA (Queen Alia International Airport) and has increased interdiction efforts there. GOJ authorities continue utilizing x-ray equipment on larger vehicles at its major border crossings between Syria and Iraq. This practice netted numerous drug seizures in past years and continues to do so in 2007. Seizures of captagon tablets are about the same as last year. However, recent Jordanian media coverage has highlighted captagon seizures giving the perception of increased trafficking of this drug. PSD claims not to have observed any widespread use of the drug in Jordan.

Drug Seizures

Calendar Year	2004	2005	2006	2007 (11 Months)
Cannabis kg	1,931.017	1,485.477	793.715	340.793
Heroin kg	186.12	117.842	131.300	42.833
Cocaine kg	32.97	0.485	5.260	7.474
Hashish Oil Lit.	—	35.5	14.5	—
Captagon (Tablets)	9,774,002	11,158,083	10,944,870	10,079,616
Opium kg	21.9	3.5	19.928	—
Total Drug Cases	1,691	2,041	1,973	1,896
Number of Arrests	2,514	4,792	3,158	3,252
Number of Abusers	2,158	4,027	2,577	2,526

The PSD reports that 85 percent of all seized illicit drugs coming into Jordan are bound for export to other countries in the region. Drugs moving through Jordan include cannabis entering from Lebanon and more now from Iraq, heroin from Turkey entering through Syria on its way to Israel, and captagon tablets from Bulgaria and Turkey entering through Syria on the way to the Gulf. The majority of Jordan's drug seizures take place at the Jaber border crossing point between Jordan and Syria, although seizures from Iraq (Karama/Trebil border crossing) have risen significantly the last two years. For the last four years, the PSD has continued to observe an increase in trafficking of hashish and opium from Afghanistan through Iraq into Jordan.

Corruption. Jordanian officials report no narcotics-related corruption investigations during 2007. There is currently no evidence to suggest that senior level officials are involved in narcotics trafficking. As a matter of government policy, Jordan does not encourage or facilitate illicit

production or distribution of narcotic or psychotropic drugs or other controlled substances, or the laundering of proceeds from illegal drug transactions.

Agreements and Treaties. Jordan is party to the 1988 UN Drug Convention, the 1971 UN Convention on Psychotropic Substances and the 1961 UN Single Convention as amended by the 1972 Protocol. Jordan is a party the UN Convention against Corruption and has signed but not ratified the UN Convention against Transnational Organized Crime. Jordan continues to remain committed to existing bilateral agreements providing for counternarcotics cooperation with Syria, Lebanon, Iraq, Saudi Arabia, Turkey, Egypt, Pakistan, Israel, Iran, and Hungary. Jordan signed a Customs Mutual Assistance Agreement in 2004.

Cultivation and Production. Existing laws prohibit the cultivation and production of narcotics in Jordan. These laws have been effectively enforced. The majority of Jordan's territory is also not suitable for the cultivation of narcotic drug plants such as marijuana and opium poppy.

Drug Flow/Transit. Jordan remains primarily a narcotics transit country. Jordan's main challenge in stemming the flow of illicit drugs through the country remains its vast and open desert borders. PSD-AND reports, however, that drug flow through QAIA is on the rise. While law enforcement contacts confirm continued excellent cooperation with Jordan's neighbors, the desolate border regions and the various tribes, with centuries-old traditions of smuggling as a principle source of income, make interdiction outside of the ports of entry difficult. None of the narcotics transiting Jordan are believed to be destined for the United States. Jordan is bordered by Israel and the West Bank on the west, Syria on the north, and Iraq and Saudi Arabia to the east. Most of Jordan's borders are difficult to effectively patrol. The stationary posts along these areas lack the equipment and infrastructure to effectively patrol and monitor border traffic.

Domestic Programs/Demand Reduction. Jordan increased the scope of its programs on drug abuse awareness, education, and rehabilitation in 2007. Education programs target high schools, colleges, prison inmates, and religious institutions. Authorities continue to provide educational presentations in schools and universities throughout the country. As noted above, Jordan created the "Friends of the AND" Program to increase access to at risk youth. Jordan also publishes a number of brochures and other materials aimed at educating the country's youth. Jordan's anti-narcotics cartoon program aimed at younger children and designed to dissuade youngsters from trying drugs has continued to flourish. Cultural and religious norms also help to control drug use. In conjunction with the UNODC, Jordan has again strengthened its treatment and rehabilitation services for drug abusers in the country.

The national treatment and rehabilitation strategy and coordination mechanism has proven effective, and Jordan looks to continued successes in this strategy. A new, larger rehabilitation facility that will accommodate more patients is in the planning phase and PSD hopes to begin construction in the near future. PSD reports that it has treated over 165 patients at its drug rehabilitation center to date in 2007. PSD also noted that another highlight of the center's success is the number of patients the Government of Lebanon has sent to Jordan for rehabilitation. The PSD notes that this is another indicator of the strong levels of cooperation between the Governments of Lebanon and Jordan in their anti-narcotics efforts.

The Jordanian Drug Information Network (JorDIN) was officially established in 2005 with help from the UNODC. Jordan continues to develop the network which will serve as an information sharing institution for all of Jordan's treatment providers and anti-narcotics authorities. PSD plans to fully implement JorDIN in early 2008. The network will reportedly provide accurate statistics of Jordan's drug abusers and levels of treatment success.

IV. Policy Initiatives and Programs

Policy Initiatives. The DEA Nicosia Country Office, RSO Amman, and the PSD have an excellent working relationship. The DEA and the interagency Export Control and Related Border Security (EXBS) Program are in the process of providing Jordan with additional equipment to help Jordan's Border security operations. There are several miles of Jordan's borders that are patrolled only by the PSD's Anti-Narcotics Department. The equipment would include sensitive technologies such as night vision devices, portable thermal imaging units, and all-terrain vehicles. To date, licensing and export agreements have not been approved for some of these technologies. The equipment would also be extremely beneficial to Jordan's anti-narcotics programs. In October 2007, EXBS provided PSD with a portable x-ray van for use in screening containers and vehicles at the Port of Aqaba. This equipment primarily screens for weapons, but can detect density anomalies that may indicate the presence of drugs and/or other contraband. Other ongoing GOJ and USG efforts to strengthen border security measures following the Iraq-based terrorist attacks in Amman and Aqaba in 2005 have served to enhance Jordan's detection capabilities and to disrupt the flow of illegal drugs transiting through Jordan. U.S. Customs and Border Protection (CBP) has supported USG efforts to strengthen Jordan's border security capabilities through the EXBS program and customs capacity building. Though both the EXBS program and capacity building support the implementation of international standards to secure and facilitate global trade, they also include training and technical assistance focused on border enforcement techniques and methods. In 2007, CBP conducted four related training missions, which trained 183 Jordanian Customs officials.

The Road Ahead. The USG expects continued strong cooperation with the Jordanian government in counternarcotics efforts and related issues.

Lebanon

I. Summary

Lebanon is not a major illicit drug producing or drug-transit country, but an apparent resurgence in the cultivation of hashish bears close monitoring. The Lebanese government reported increased but still not significant quantities of hashish and opium cultivation in 2007, and continues to act to prevent illicit drug cultivation and to eradicate illicit crops before harvest. In 2007, crop destruction operations were extremely hampered by the ongoing political crisis in Beirut and overstretched security commitments of the armed forces, which provide the security for drug enforcement police in the field. Also, illicit crop cultivation remains an attractive option for some farmers due to a difficult economic climate and a lack of economically viable alternate crops. There is practically no illicit drug refining in Lebanon, and minimal production, trading or transit of precursor chemicals. Drug trafficking across the Lebanese-Syrian border saw a slight increase in 2007, in part due to the security situation in the north where the Lebanese Army fought a three-month battle against Islamic militants and was not available for counternarcotics work during the summer hashish growing season. Also, there were isolated press reports of smuggling across the Lebanese-Israeli border. The Government of Lebanon (GOL) continued its ongoing drug demand reduction efforts through public service messages and awareness campaigns. Lebanon is a party to the 1988 UN Drug Convention.

II. Status of Country

At least five types of drugs are available in Lebanon: hashish, heroin, cocaine, methamphetamine, and other synthetics, such as MDMA (Ecstasy). The use of hashish and heroin are reported to be on the rise. Small quantities of cocaine arrive in Lebanon to meet local demand, and the government reported increased abuse of synthetic drugs. Lebanon is not a major transit country for illicit drugs, and most trafficking is done by small-time dealers rather than major drug networks. Cannabis and opium derivatives are trafficked to a modest extent in the region, but there is no evidence that the illicit narcotics that transit Lebanon reach the U.S. in significant amounts. South American cocaine is smuggled into Lebanon primarily via air and sea routes from Europe, Jordan, and Syria, or directly to Lebanon. Lebanese nationals living in South America, in concert with resident Lebanese traffickers, often finance these operations. Synthetic drugs are smuggled into Lebanon primarily from Eastern Europe for sale to high-income recreational users.

The stagnating economic situation in rural Lebanon and the lack of effective investment in alternative crops continues to make illicit crop cultivation appealing to local farmers in the Bqaa, Valley in eastern Lebanon, though in ever-lesser quantities due to efforts by the government to eradicate illicit crops. The government also continued a counternarcotics campaign to discourage new planting. There is no significant illicit drug refining in Lebanon. However, small amounts of precursor chemicals, shipped from Lebanon to Turkey via Syria, were thought to be diverted for illicit use in Lebanon. Legislation passed in 1998 authorized seizure of assets if a drug trafficking nexus is established in court proceedings.

III. Country Actions Against Drugs in 2007

Policy Initiatives. The Ministry of Interior considers counter narcotics a priority. The government has continued vigorous campaign to discourage drug use by expanding public awareness on university campuses, through media campaigns and advertisements.

Law Enforcement Efforts. In 2007, the Government of Lebanon faced major hurdles in implementing its illicit crop eradication program. Statistics from the Judicial Police this year show that only 8,000 square meters of hashish were eradicated in 2007, fewer than in previous years, because the armed forces—which provide protection for the eradication program—were overstretched with other security commitments. Furthermore, some hashish farmers started to fight with the police and have threatened local tractor owners who are hired each year by the government to plow up the illegal crops. The police decided to halt the eradication program for fear it could provoke a popular uprising among the farmers against the government.

Lebanese law enforcement officers cooperated with foreign officials bilaterally and through Interpol in 2007. Several European and Persian Gulf countries have drug enforcement liaison offices in Beirut with which local law enforcement authorities cooperate. The UNODC and the UNDP gave the Government of Lebanon a \$362,000 grant for the years 2004 to 2006 to enable “the development and implementation of a national action plan on drug demand reduction.” The Internal Security Forces (ISF, Lebanon’s national police) stated that from January to October 2007 they arrested 1,251 people for drug use and 445 for dealing, distribution, and smuggling.

Corruption. Corruption remains endemic in Lebanon in all levels of government, but the U.S. is unaware that government corruption is systematically connected with drug production or trafficking or the protection of persons who deal in illicit drugs. The Government of Lebanon does not encourage or facilitate illicit production or distribution of controlled substances. While low-level corruption in the counter narcotics forces is possible, there is no evidence of wide-scale corruption within the Judiciary Police or the ISF, which appear to be genuinely dedicated to combating drugs. The parliament has yet to ratify the UN Convention against Corruption.

Agreements and Treaties. Lebanon is a party to the 1988 UN Drug Convention, the 1971 UN Convention on Psychotropic Substances, and the 1961 UN Single Convention, as amended by the 1972 Protocol. Lebanon also is a party to the UN Convention against Transnational Organized Crime and its protocols against migrant smuggling and trafficking in persons.

Cultivation and Production. Lebanon is no longer a significant drug producing country, but there has been an increase in hashish cultivation as many farmers appear to be resuming to plant illicit crops because they believe the crops will not be destroyed. In remote areas in the north where few other viable options exist, illicit crop production remains an attractive option. Lebanese police estimated that some 16,000 acres (6,500 hectares) of hashish and opium were planted this year in the fertile Bika’ valley. Due to the halt in the annual eradication program, only two percent of this hashish crop was destroyed, but early spring 2007 operations by counternarcotics police did result in 95 percent of the much smaller opium poppy crop being destroyed.

Drug Flow/Transit. Illicit drug trafficking via traditional smuggling routes was curtailed by joint Syrian-Lebanese operations through 2004, and the two sides have continued independent anti-trafficking operations since the Syrian withdrawal from Lebanese territory in 2005. Drug trafficking along the Israel-Lebanon frontier has been negligible since the Israeli withdrawal from Lebanon in May 2000 and the subsequent near-sealing of the UN-demarcated Blue Line. However, press reports indicate trafficking may have increased after the July-August 2006 war between Israel and Lebanon. The primary route for smuggling hashish from Lebanon during 2007 was overland through Syria to Arab countries such as Saudi Arabia, Egypt, Kuwait, the United Arab Emirates, and via sea routes to Europe. According to the ISF, large exports of hashish from Lebanon to Europe are more and more difficult for smugglers due to increased seashore patrols and airport control.

Domestic Programs (Demand Reduction). Lebanese leaders understand that they need to address the problem of illicit drug use, but there is inadequate coordination between concerned ministries and NGOs. Since 2002 the government has sponsored public awareness campaigns to discourage drug use. Textbooks approved for public schools contain a chapter on narcotics awareness. The current law on drugs dictates that a National Council on Drugs (NCD) be established to provide substance abuse treatment, prevention, awareness, and a national action plan, but the NCD has not yet been formed.

There are several detoxification programs, but the only comprehensive rehabilitation program is Oum al-Nour (ON), a Beirut-based NGO funded in part by the Ministries of Social Affairs and Public Health. ON operates two drug treatment centers with a maximum capacity of 120 patients and offers a year-long residential program. In 2003, ON received a \$27,000 award from Bureau for International Narcotics and Law Enforcement Affairs, Department of State to furnish and equip a men's drugs rehabilitation center in Keserwan, Mount Lebanon. ON offers no outpatient programs but engages in prevention programs such as advertisements and education programs. There are several other organizations that provide prevention and treatment services. A drug rehabilitation center opened in Zahleh in 2005 run by the Saint Charles Hospital and the Ministry of Health, and can accommodate up to 16 men. An outpatient facility called Skoun that offers prevention, awareness, and counseling to drug users and their families opened in 2004 in downtown Beirut. From January through October 2006, Skoun enrolled 90 patients for treatment. The average age of the patients at Skoun in the past two years has been 29, with 36 percent between 20 and 25 years of age. Skoun is the first treatment center in the Middle East to prescribe buprenorphine maintenance for opiate addicts; after intense lobbying the Ministry of Health has started the legalization process for buprenorphine. Jeunesse Anti-Drogue (JAD) provides educational programs, medical treatment, and outpatient counseling. Jeunesse Contre la Drogue (JCD) raises awareness of substance abuse and AIDS. Association Justice et Misericorde (AJEM) was established to assist incarcerated drug abusers.

IV. U.S. Policy Initiatives and Programs

U.S. Policy Initiatives. In meetings with Lebanese officials, U.S. officials continued to stress the need for diligence in preventing any return to the production and transportation of narcotics in Lebanon, and the need for a comprehensive development program for the Bika' Valley that would provide impoverished residents with alternate sources of income. The USG also stressed the importance of anticorruption efforts.

Bilateral Cooperation. USAID continued its program to empower Lebanese government, media, and civil society to fight corruption and assisted U.S. and local NGOs to promote the substitution of illicit crops with legitimate, economically viable ones. The Sustainable Forage Development Program, ongoing since 2002, has proven the feasibility of forage cultivation as an alternative to illicit cropping, producing an average net income of \$950 per hectare. In FY 2007, 1,008 farmers in North Lebanon, Bika' Valley, and South Lebanon cultivated forage crops on a total of 2,400 hectares. In 2007, the USCG provided engineering and maintenance, damage control, and leadership training to Lebanon.

The Road Ahead. The success of measures to halt cultivation and trafficking depends on the will of the Lebanese government. Since the withdrawal of Syrian forces in 2005, the Government of Lebanon has new access to areas of cultivation but it has not successfully developed a strategy of crop substitution. The USG will continue to press Lebanon to combat drug production and transit and implement anticorruption policies.

Morocco

I. Summary

The Government of Morocco (GOM) has achieved significant reductions in its cannabis and cannabis resin production in recent years, although it remains Morocco's primary drug problem. Advances in Morocco's counternarcotics efforts appear to be a function of the GOM's comprehensive counternarcotics strategy, which places emphasis on combining conventional law enforcement, crop eradication, and demand reduction efforts with economic development to erode the "cannabis growing culture" that exists in northern Morocco. The vast majority of cannabis produced in Morocco is consumed in Europe and has little, if any, impact on the U.S. market for illegal drugs. Morocco remains open to international assistance not only to combat cannabis smuggling, but also to confront the relatively nascent problem of trafficking and consumption of harder drugs, primarily cocaine, in Morocco. Morocco is a party to the 1988 UN Drug Convention.

II. Status of Country

Although decreasing in recent years, the single greatest drug problem in Morocco is the large scale and endemic nature of cannabis cultivation and cannabis resin production. Morocco is the world's biggest producer of cannabis resin (hashish) and is consistently ranked among the world's largest producers of cannabis. Nonetheless, cannabis production in Morocco is falling. Cannabis production in Morocco, in 2005, was estimated at 53,400 metric tons (MT), down from 98,574 MT in 2004 due in part to aggressive GOM eradication efforts. Commensurately, gross cannabis resin production was down from 2,760 MT in 2004 to 1,067 MT in 2005, according to the GOM. Although overall statistics are not yet available for 2006, the GOM claims that production numbers for cannabis and cannabis resin are both projected to drop further below 2005 levels, testament to continuing GOM counter drug efforts. Cannabis remains primarily an export for Moroccan growers, with the vast majority of the product typically processed into cannabis resin or oil and exported predominately to Europe, and in relatively small quantities to Algeria, and Tunisia. Approximately 95 percent of cannabis and cannabis resin is consumed outside of Morocco, according to the GOM; and Morocco is the source of approximately 70 percent of all the hashish consumed in Europe, according to the UNODC's 2007 World Drug Report. Only very small amounts of cannabis and narcotics being produced in or transiting through Morocco reach the United States.

Although Morocco has made gains in reducing cannabis and cannabis resin production in recent years, long term efforts are stymied by the fact that the cannabis drug industry serves as means of livelihood for large segments of Morocco's population situated in the northern tip of the country between the Rif Mountains and the Mediterranean Sea, where cultivation is centered. Approximately 804,000 Moroccans (96,600 families and 75 percent of villages in that area) are involved in cannabis cultivation, according to the GOM. Still, Moroccan farmers benefit the least within the economic cycle of the drug trade. According to a 2005 UNODC report, while the illicit trade in Moroccan cannabis resin generates approximately \$13 billion a year in total revenues, only \$325 million goes to Moroccan farmers; the lion's share goes to traffickers. The center of cannabis production in Morocco continues to be the province of Chefchaouen, responsible for over 50 percent of cultivation with the four other surrounding provinces of Taunate, al-Hoceima, Tetouan, and Larache largely making up the rest of production; although smaller scale production also exists in the Souss valley in southern Morocco. Although comparatively a much smaller problem, and

virtually non-existent just a few years ago, Morocco is also combating the growth in trafficking and consumption of “harder drugs,” particularly cocaine. Although overall volumes of cocaine are difficult to estimate, increasing annual seizures serves as a useful proxy of the trend. Moroccan law enforcement authorities seized over 140 kilograms (kg) of cocaine in the first six months of 2007, up sharply from just over 45 kg in 2006 and 1.8 kg in 2005. Although cocaine remains cost prohibitive for most middle class Moroccans, falling prices are interesting increasing numbers of Moroccan buyers. A gram of cocaine that costs approximately \$130 in 2004 now sells for approximately \$70, according to press reports. The fall in prices corresponds with the increased amount of the drug being smuggled through the territory and the arrival of increasing numbers of South American drug smugglers in Morocco, according to the GOM. Police anecdotally report the arrest since 2005 of several South American pilots, making smuggling flights between Morocco to Spain.

Heroin and psychotropic drugs (methamphetamine, Ecstasy, etc.) are also making inroads into the country but to a lesser extent than cocaine. To date, Morocco has no known enterprises that use dual-use precursor chemicals and neither serves as a known source nor transit point for them.

III. Country Actions Against Drugs in 2007

Policy Initiatives. According to the GOM, long term amelioration of the drug problem is only feasible if traditional interdiction, eradication, and demand reduction methods (the last of which being considered mainly a European issue) are augmented by an emphasis on a broader economic development approach, given the historical economic dependence on cannabis in the north. In order to break the vicious cycle of the “cannabis-growing culture” in Morocco’s Northern provinces, the GOM has emphasized crop substitution, anti-corruption efforts and economic development.

Law Enforcement Efforts. According to government statistics in 2005, Morocco seized 116 MT of cannabis, down from the previous year’s total of 318 MT. Cannabis resin seizures were also down, but both reductions can be directly tied to successful crop eradication efforts in Morocco, according to the UNODC 2007 World Drug Report. Seizures, however, were up for cocaine, heroin, and psychoactive drugs during the same period. Since 1995, the GOM reports it has deployed up to 10,000 police personnel into the North and Rif mountains to interdict drug shipments and to maintain counternarcotics checkpoints, rotating personnel approximately every six months. Moroccan forces also staff observation posts along the Mediterranean coast, and the Moroccan Navy carries out routine sea patrols and responds to information developed by the observation posts. In 2007, Morocco reports it arrested 18,734 Moroccans and 255 foreigners in connection with drug-related offenses. Arrests of departing traffickers at the ports, and at Casablanca airport of arriving cocaine “mules” from Sub-Saharan Africa, are frequently in the news. Morocco law provides a maximum allowable prison sentence for drug offenses of 30 years, as well as fines for illegal drug violations ranging from \$20,000-\$80,000. Ten to fifteen years imprisonment remains the typical sentence for major drug traffickers convicted in Morocco. In 2004, Morocco and France agreed to reinforce bilateral counternarcotics cooperation by deploying liaison officers to Tangiers and Paris. According to both Moroccan and French police sources, controlled deliveries of drugs have proven to be a very successful interdiction technique as a result of that joint initiative.

Corruption. As a matter of government policy, the GOM does not encourage or facilitate illicit production or distribution of narcotic or psychotropic drugs or other controlled substances, or the laundering of proceeds from illegal drug transactions. These actions are illegal and the government tries to enforce these laws to the best of its ability. In September 2006, a GOM investigation into

the network of a major drug baron resulted in the arrest of more than a dozen high-ranking governmental, judicial, military, and law enforcement officials linked to narcotics-related corruption, including a senior security official and former chief of police in Tangiers. This investigation, as part of a larger government effort to combat corruption, led to further high-level shake ups in the law enforcement community, as well as the detention of other alleged drug traffickers. Although this legal process continues, there has not been the same level of significant arrests/actions against senior corrupt officials this year, although some mid-level officials were arrested.

Agreements and Treaties. Morocco is a party to the 1988 UN Drug Convention, the 1971 UN Convention on Psychotropic Substances and the 1961 UN Single Convention as amended by the 1972 Protocol. Morocco is a party to the UN Convention against Transnational Organized Crime. Morocco and the United States cooperate in law enforcement matters under an MLAT. Morocco is a party to the UN Convention against Corruption.

Cultivation/Production/Eradication Efforts. Morocco succeeded in decreasing the land dedicated to cannabis cultivation from 134,000 hectares in 2003 to 76,400 hectares in 2005, due in part to an aggressive eradication campaign, carried out mainly by Gendarmerie and local authorities, according to 2007 UNODC report. GOM eradication efforts in 2005 destroyed more than 7,000 hectares of cannabis, primarily in Larache and Taounate Provinces. Although the final results for 2006 eradication efforts are not in, the GOM claims that the figure for total land under cannabis cultivation will be lower for 2006 than it was for 2005. There is no indication of renewed cultivation in areas from which it was eradicated.

In 2003, the GOM began partnering with UNODC in conducting cannabis surveys in order to compile accurate data on illegal drug production to better define and address the problem. Throughout the 1980's, the GOM worked in conjunction with the UN to devise a response to the unique geographic, cultural and economic circumstances that confront the many people involved in the cultivation of cannabis in northern Morocco. Some of these projects have included encouraging cannabis farmers to cultivate alternative agricultural products and switching to such commercial alternatives as dairy farming, apple growing, and bee-keeping. Moroccan drug officials, however, readily admit that crop substitution programs are often a "hard sell" to farmers, who can earn eighteen times the earnings of a substitute crop such as barley by continuing to grow cannabis, according to the GOM's 2006 counter drug strategy report.

In 2004, Morocco launched an awareness campaign for cannabis growers alerting them to the environmental dangers of cannabis cultivation to include soil exhaustion, excessive fertilizer concentrations, and deforestation and informing them of alternatives to use the land more productively. The GOM selected the northern province of Taounate last year as the site for the construction of the National Institute of Medicinal and Aromatic Plants to study the viability of medicinal crop substitution.

Since the 1990's, the GOM continued to emphasize economic development in Morocco's northern provinces through the work of Agence pour la developement des Provinces du nord (APDN) and the Tanger Mediterranean Special Agency (TMSA), which have made infrastructure improvement efforts such as improving roads, modernizing irrigation networks, and establishing health and veterinary clinics. In June 2003, TMSA oversaw the groundbreaking of the centerpiece of its northern development program, the Tanger-MED port, which is set to become Morocco's primary maritime gateway to the world.

Drug Flow/Transit. Given its proximity to Morocco, Spain is a key transfer point for Europe-bound Moroccan cannabis resin. Due to the Schengen zone, once contraband reaches Spain, it can normally be transshipped to most other Western European destinations much easier than in the past. The contraband is transported mainly via maritime and overland routes from northern Morocco, according to the GOM. The primary ports of export for Moroccan cannabis are Oued Lalou, Martil and Bou Ahmed on the Mediterranean coast. Most large shipments of illicit cannabis bound for Spain travel via speedboats, which can make the roundtrip to Spain in one hour or less, although fishing boats, yachts, and other vessels are also used. Drug shipments of up to two metric tons have been seized on speed boats.

Smugglers also continue to transport cannabis via truck and car through the Spanish enclaves of Ceuta and Melilla, known to have lower inspection standards than the rest of the European Union, and the Moroccan port of Tangiers, crossing the Straits of Gibraltar by ferry. According to the UNODC, Spain consistently accounts for the world's largest portion of cannabis resin seizures (52 percent of global seizures in 2005). The Moroccan press reported that some 800 MT of cannabis resin smuggled from Morocco was seized in Spain in 2004. Spain's deployment of a network of fixed and modular radar, infrared, and video sensors around the Straits of Gibraltar, starting in 1999 and known as the Integrated System of External Vigilance (SIVE), has forced Moroccan smugglers to take longer and more vulnerable routes.

Latin American drug organizations have begun in recent years to exploit Morocco's well-established cannabis routes to smuggle cannabis and, increasingly, cocaine into Europe. Although the main African redistribution centers for cocaine from Latin America remain sub-Saharan—including Ghana and Nigeria—Morocco is increasingly being used as a transit country from Latin America to Europe in a trend that can be expected to continue.

Domestic Programs/Demand Reduction. The GOM is concerned about signs of an increase in domestic cocaine and heroin use, but does not aggressively promote reduction in domestic demand for these drugs or for cannabis. Some press estimates suggest that as many as ten percent of adults have regularly used cannabis in the past year. Morocco has established a program to train the staffs of psychiatric hospitals in the treatment of drug addiction. In partnership with UNODC, the Ministry of Health is exploring the relationship between drug use and HIV/AIDS infection in Morocco. Moroccan civil society and some schools are active in promoting counternarcotics use campaigns.

IV. U.S. Policy Initiatives and Programs

Bilateral Cooperation. The USG is working to enhance Morocco's counternarcotics capability through training in law enforcement techniques, and to promote the GOM's adherence to its obligations under relevant bilateral and international narcotics control agreements. U.S.-supported efforts to strengthen anti-money laundering laws and efforts against terrorist financing may also contribute to the GOM's ability to monitor the flow of money from the cannabis trade. According to Moroccan narcotics officials, USG-provided border security equipment, particularly new scanners in main ports, improved the effectiveness of security measures at entry points, which directly contributed to increased drug seizures in 2004. The Department of Homeland Security through U.S. Customs and Border Protection has provided Targeting and Risk Management and International Air Cargo Interdiction Training. Morocco and the U.S. have also begun to expand cooperation on drug investigations of mutual interest. The U.S. DEA, which covers Morocco from its Paris office, has enhanced its engagement with the Moroccan National Police, including discussing ways to increase training visits to the U.S. by Moroccan counternarcotics officials and

by U.S. officials to Morocco. In September 2005, the U.S. Coast Guard sent a Mobile Training Team to provide training in maritime law enforcement boarding procedures. More recently, in 2007, the U.S. Coast Guard dispatched two Mobile Training Teams to conduct Maritime Safety & Environmental Protection, and Advanced Boarding Officer courses.

Road Ahead. The endemic nature of the cannabis culture in Morocco will only be ameliorated through incremental application of Morocco's comprehensive counternarcotics strategy, which along with traditional eradication, law enforcement, and demand reduction efforts, places emphasis on economic development, which will require a time to take hold, and bring about change. The U.S. will continue to monitor the illegal drug situation in Morocco, cooperate with the GOM in its counternarcotics efforts, and together with the EU, provide law enforcement training, intelligence, and other support for the foreseeable future.

Mozambique

I. Summary

Mozambique is a transit country for illegal drugs such as hashish, herbal cannabis, cocaine, and heroin consumed primarily in Europe, and for mandrax (methaqualone) consumed primarily in South Africa. Some illicit drug shipments passing through Mozambique may also find their way to the United States and Canada. Drug production mostly is limited to herbal cannabis cultivation and a small but growing number of mandrax laboratories. Evidence suggests considerable use of herbal cannabis and limited consumption of “club drugs” (Ecstasy/MDMA), prescription medicines, and heroin primarily by the country’s urban population. Porous borders, a poorly policed seacoast, inadequately trained and equipped law enforcement agencies, and corruption in the police and judiciary hampered Mozambique’s enforcement and interdiction efforts. The United States, the UN Office on Drugs and Crime (UNODC), and other donors have established cooperation programs to improve training of drug control officials and provide better interdiction and laboratory equipment. Mozambique is a party to the 1988 UN Drug Convention.

II. Status of Country

Mozambique is not a significant producer of illegal drugs and not a producer of precursor chemicals. Herbal cannabis remains the most produced and most consumed drug in the country. While herbal cannabis for local consumption is produced throughout the country, seizure quantities and statistics from 2006 indicate higher levels in Maputo City, Manica, Sofala, and Cabo Delgado provinces. Limited amounts are trafficked to neighboring countries, primarily South Africa. Mozambique’s role as a transit country for illicit drugs and precursors and a favored point of disembarkation in Africa for trafficking to Europe continues to grow, mostly because of its proximity to South Africa (the major market for illicit drugs) as well as weak law enforcement capacity at borders, major seaports, and airports. Southwest Asian producers ship cannabis resin (hashish) and synthetic drugs through Mozambique to Europe and South Africa. Limited quantities of these shipments also may reach the United States and Canada. Heroin and other opiate derivatives shipped through Mozambique usually originate in Southeast Asia and typically transit India, Pakistan, the United Arab Emirates, and later Tanzania, before arriving by small ship or, occasionally, overland to Mozambique. Many traffickers are of Tanzanian or Pakistani origin. In 2007, there were fewer reports of cocaine entering the country via couriers on international flights from Colombia and Brazil. Government authorities attribute the decrease to a change in tactics by traffickers and, to a lesser extent, more stringent police efforts at airports. However, they also acknowledge that fewer reports may not represent a decrease in the overall amount of cocaine entering the country.

Government authorities have noted an increase in the use of heroin and Ecstasy among the urban population. The abuse of mandrax, which is usually smoked in combination with cannabis, continues to be a matter of concern for countries in southern Africa. Shipments of mandrax also enter South Africa from India and China, sometimes after transiting Mozambique. As of 2007, the country has dropped visa requirements for citizens of all six neighboring countries, further complicating interdiction and enforcement efforts.

III. Country Actions Against Drugs in 2007

Policy Initiatives. Mozambique's accomplishments in meeting its goals under the 1988 UN Drug Convention remain limited. Government resources devoted to the counternarcotics effort are meager, and little or no donor funds have been available in recent years. The Mozambican government carries out drug education programs in local schools in cooperation with bilateral and multilateral donors as part of its demand reduction efforts.

Law Enforcement Efforts. Mozambique's counternarcotics brigade operates in Maputo and reports to the Chief of the Criminal Investigation Police in the Ministry of Interior. The brigade suffers from a general lack of resources and is operating at reduced levels compared with previous years. The brigade has not received training for several years. Since 2005, a small, specialized police unit designed to strengthen efforts to fight organized crime, including narcotics trafficking, has operated at airports in provincial capitals. In 2006 Mozambican and Brazilian authorities signed a memorandum of understanding on principles, in preparation for an eventual extradition agreement for those convicted of trafficking drugs between the two countries. From January to June 2007, Mozambican authorities seized 900 kg of cannabis, 12 tons of hashish, 1958 mandrax pills, and 3000 kg of cocaine. As interdiction efforts improve at the Maputo airport, traffickers have used alternate airports, including those of Beira, Nampula, Quelimane and Vilankulos. Police reported that in 2006 50 Mozambican and foreign nationals were arrested, of which 20 were tried, and 7 convicted of drug trafficking. On several occasions during the year, Mozambican authorities highlighted a severe lack of resources for destroying seized drugs, particularly hashish, cannabis, and cocaine.

Corruption. The government does not as a matter of policy encourage or facilitate the illicit production or distribution of narcotics, psychotropic drugs, other controlled substances, or the laundering of proceeds from illegal drug transactions, nor were there reports in 2007 that any senior government official was engaged in such practices. While corruption is pervasive in Mozambique, the government has continued efforts to prosecute police and customs officials charged with drug trafficking offenses.

Agreements and Treaties. Mozambique is a party to the 1961 UN Single Convention on Narcotic Drugs, as amended by the 1972 Protocol, the 1971 UN Convention on Psychotropic Substances, the 1988 UN Drug Convention, and the UN Convention against Transnational Organized Crime. Mozambique has signed, but not yet ratified the UN Convention Against Corruption.

Cultivation/Production. Cannabis is cultivated primarily in Maputo City, Manica, Sofala, and Cabo Delgado provinces. Intercropping is the most common method of production. The Mozambican government has no reliable estimates of crop size. Authorities have made efforts in 2007 to eradicate cannabis crops through controlled burns.

Drug Flow/Transit. Assessments of drugs transiting Mozambique are based upon limited seizure data and the observations of Mozambique officials and UNODC officials. Mozambique increasingly serves as a transit country for hashish, cannabis resin, heroin, and mandrax originating in Southwest Asia, owing to its porous borders, long and un-patrolled coastline, lack of resources for interdiction efforts, and improving transportation links with neighboring countries. Drugs destined for the South African and European markets arrive in Mozambique by small ship, mostly in the coastal provinces of Cabo Delgado, Nampula, Sofala, and Inhambane, before being repackaged and sent by land to neighboring countries.

The Maputo corridor border crossing at Ressano Garcia/Lebombo is an important transit point to South Africa. Hashish and heroin are also shipped on to Europe, and some hashish may reach Canada and the United States, but not in significant quantities. Arrests in Brazil, Mozambique, and South Africa indicate drug couriers trafficked cocaine from Colombia and Brazil to Mozambique, often through Lisbon, for onward shipment to South Africa. In addition, Nigerian and Tanzanian cocaine traffickers have targeted Mozambique as a gateway to the South African and European markets.

Domestic Program/Demand Reduction. The primary substances of abuse are alcohol, nicotine, and herbal cannabis. The Mozambican Office for the Prevention and Fight Against Drugs (GCPCD) reported in 2007 that the use of heroin, cocaine, and psychotropic “club drugs,” such as Ecstasy and mandrax, was increasing in Mozambique’s urban population. GCPCD maintains an office in each provincial capital and coordinates a drug prevention and education program for use in schools and with high risk families; the program includes plays and lectures in schools, churches, and other places where youths gather. It has also provided the material to a number of local NGOs for use in their drug education programs. GCPCD received no treatment assistance from bilateral donors in 2007. Despite an increase in the number of drug users, government funding and resources are scarce (the GCPCD operated on a budget of approximately \$45,000 in 2007), limiting abuse and treatment options. The Ministry of Health does not have a specific program to assist drug abusers; those seeking assistance are referred to the Psychiatric Hospital.

IV. U.S. Policy Initiatives and Programs

Bilateral Cooperation. The United States continues to sponsor Mozambican law enforcement officials and prosecutors to attend regional training programs at the International Law Enforcement Academy (ILEA) for Africa in Botswana. Law enforcement officials have also received training at ILEA in New Mexico. The United States has supported the police sciences academy near Maputo, through training and technical assistance in the areas of drug identification and investigation, as well as other areas of criminal sciences including fingerprint identification, forensic photography, and the identification of fraudulent documents. The assistance included construction of a forensic laboratory and the supply of related forensic analysis equipment. Additionally, technical assistance programs at the police academy also focus on methods to foster better relations between the community and the police. USAID provides training support to the Attorney General’s Central Office for the Combat of Corruption (GCCC), formerly the anticorruption unit. In October 2007, an assessment team from the State Department’s Office of Anti-Terrorism Assistance conducted an assessment to consider appropriate assistance levels for improving the capabilities of Mozambican security forces to combat terrorism. Part of this assessment included an evaluation of security capabilities at the land border station at Ressano Garcia, the Maputo seaport, and Maputo’s international airport. Also, the USG provided training to guards and senior officers of the Mozambican Border Guards in techniques of securing borders, managing border crossing (document checking, inspections) at two different locations within Mozambique. Advanced training is scheduled to take place in December.

The Road Ahead. U.S. assistance in support of the GCCC will continue in 2007. In October a short-term regional legal advisor arrived to work with the unit and other judicial offices for a period of several months through the Department of Justice Overseas Prosecutorial Development Assistance and Training program. Additionally, efforts to improve Mozambique’s border security capabilities continue. Building on the success of the initial training, the USG will sponsor additional basic and advanced border security courses for Mozambican border guards. Inspection materials, vehicles and alternate transportation options, equipment for distant posts, and computer

equipment will also be supplied to border guards to assist in putting into practice the techniques taught in the training courses. The U.S. military has also provided shallow draft vessels for limited coastal security work in conjunction with USCG training on ship/vessel boarding and search and seizure techniques. The GRM would benefit from increased funding for counternarcotics and drug treatment efforts and should continue its focus on reducing corruption to ensure that progress with its narcotics control efforts continues.

Namibia

I. Summary

While occasionally used as a drug transit point, Namibia is not a major drug producer or exporter. Nevertheless, statistics for 2007 showed a marked increase in illegal drug seizures compared to previous years, with approximately \$370,000 worth of drugs (870 kilograms of marijuana, plus extremely small quantities of Mandrax (methaqualone), cocaine, and Ecstasy) seized between April 2006 and March 2007. Drug abuse remains an issue of concern, especially among economically disadvantaged groups. Narcotics enforcement is the responsibility of the Namibian Police's Drug Law Enforcement Unit (DLEU), which lacks the manpower, resources and equipment required to fully address the domestic drug trade and transshipment issues. Namibia is not a party to the 1988 UN Drug Convention.

II. Status of Country

Namibia is not a significant producer of drugs or precursor chemicals. No drug production facilities were discovered in Namibia in 2007.

III. Country Actions Against Drugs in 2007

Policy Initiatives. Namibia has requested United Nations (UNODC) assistance in completing a National Drug Master Plan. While Namibia has not said precisely when it will become a party to the 1988 UN Drug Convention, many Convention requirements are already reflected in Namibian law, which criminalizes cultivation, production, distribution, sale, transport and financing of illicit narcotics. Namibia's Parliament passed the Prevention of Organized Crime Act (POCA), designed to combat organized crime and money laundering, in 2004, and the Government intends to issue regulations and place POCA into effect in early 2008. In July 2007, Parliament passed the Financial Intelligence Act (FIA) and the Government intends to issue regulations and place FIA into effect also in early 2008. The Combating of the Abuse of Drugs Bill was tabled in Parliament in 2006. If passed, it would ban the consumption, trafficking, sale and possession of dangerous, undesirable and dependence-inducing substances. Namibia is also a signatory to the International Convention for the Suppression of the Financing of Terrorism. The Namibian Anti-Terrorism Activities Bill and Drugs Control Bill are still under consideration. Once fully implemented and harmonized, the new legislation will allow for asset forfeiture and other narcotics-related prosecution tools.

Law Enforcement Efforts. Namibia fully participates in regional law enforcement cooperation efforts against narcotics trafficking, especially through the Southern African Development Community (SADC) and the Southern African Regional Police Chiefs' Cooperative Organization (SARPCCO). The Minister of Safety and Security and working level officials meet regularly with counterparts from neighboring countries to discuss efforts to combat cross border contraband shipments (including narcotics trafficking). In November 2007, Namibian Police seized 544 kilograms of cannabis, the largest single seizure in Namibian history.

Corruption. As a matter of government policy, the Government of Namibia does not encourage or facilitate illicit production or distribution of narcotic or psychotropic drugs or other controlled substances, or the laundering of proceeds from illegal drug transactions. Similarly, no senior government official is alleged to have participated in such activities.

Agreements and Treaties. Namibia is not a party to the 1988 UN Drug Convention; however, it is a party to the 1961 UN Single Convention as amended by the 1972 Protocol, and the 1971 UN Convention on Psychotropic Substances. Namibia also is a party to the UN Convention Against Transnational Organized Crime and its protocols against migrant smuggling and trafficking in persons, and to the UN Convention against Corruption. The United States and Namibia do not have a bi-lateral extradition or mutual legal assistance treaty. In 2006, however, Namibia designated the United States as a country to which Namibia could extradite persons, and there is a pending extradition case. In addition, there has been excellent cooperation regarding legal assistance between both countries.

Drug Flow/Transit. Namibia's excellent port facilities and road network, combined with weak border enforcement, make it a likely transshipment point for drugs en route to the larger and more lucrative South African market. DLEU (Drug Law Enforcement Unit) personnel believe much of the transshipment takes place via shipping containers either offloaded at the port of Walvis Bay or entering overland from Angola and transported via truck to Botswana, Zambia and South Africa. Inadequate staffing and training, inadequate screening equipment, and varying levels of motivation among working-level customs and immigration officers at Namibia's land border posts all prevent adequate container inspection and interception of contraband. Inconsistently applied immigration controls also make Namibia an attractive transit point for Africans en route to or from Latin America for illicit purposes. The current maritime security posture does not allow the Namibian police, naval, and port authorities to monitor maritime activities outside the 5 km outer anchorage area of Namibia's major ports in Walvis Bay and Luderitz. It has been reported that drug traffickers have been able to exploit this weakness by using small crafts to meet larger vessels outside these controlled areas. The Namibian Navy assists the police and customs officials with better patrolling of Namibia's Exclusive Economic Zones (EEZs) and expects to have a mission capable fleet by mid-2008.

Domestic Programs/Demand Reduction. Drug treatment programs are available from private clinics, and to a lesser extent from public facilities. The vast majority of treatment cases in Namibia are for alcohol abuse, with the remainder divided evenly between cannabis and Mandrax (methaqualone). There is also increasing evidence of the problem of cocaine use in Namibia.

IV. U.S. Policy Initiatives and Programs

Policy Initiatives. The USG continues to support Namibian participation in law enforcement training programs at the International Law Enforcement Academy (ILEA) in Gaborone, Botswana. Most of these training programs include counternarcotics modules. Representatives of several Namibian law enforcement agencies (Customs and Border Protection, Immigration and Customs Enforcement, Prison Service, the Namibian Police, and the Anti-Corruption Commission) and prosecutors have participated in ILEA training. The police have repeatedly stated their willingness to cooperate with the USG on any future narcotics-related investigations. The U.S. Department of the Treasury is assisting Namibia with the establishment and development of the Financial Intelligence Center to fully implement the Financial Intelligence Act.

The Road Ahead. The USG will continue to coordinate with relevant law enforcement bodies to allow them to take advantage of training opportunities at ILEA Botswana and elsewhere, and will assist the Government of Namibia in any narcotics investigation with a U.S. nexus.

Nigeria

I. Summary

Nigeria remains a hub of narcotics trafficking and money laundering activity and Nigeria is still ranked as one of the world's most corrupt countries. Nigerian criminal organizations dominate the African drug trade and transport narcotics to markets in the United States, Europe, Asia, and other parts of Africa. Some of these organizations are also engaged in advance-fee fraud, commonly referred to in Nigeria as "419 Fraud" after a formerly relevant section of the Criminal Code of Nigeria, and other forms of fraud against U.S. citizens and businesses as well as citizens and businesses of other countries. Serious under/unemployment has been a major problem for Nigeria in civilian governments and military governments alike. Abysmal economic conditions for the vast majority of Nigerians contribute significantly to the continuation and expansion of drug trafficking, widespread corruption and other criminal acts in Nigeria. These factors, combined with Nigeria's central location along the major trafficking routes and access to global narcotics markets have provided both an incentive and mechanism for criminal groups to flourish.

Heroin from Southeast and Southwest Asia, smuggled via Nigeria, accounts for a significant portion of the heroin reaching the United States. Nigerian criminal elements, operating in South America, transship cocaine through Nigeria to Europe, Asia, and Africa. South Africa is a major destination for Nigerian-trafficked cocaine within Africa. Nigerian-grown marijuana is exported to neighboring West African countries and to Europe, but not in significant quantities to the United States. Aside from marijuana, Nigeria does not produce any of the drugs that its nationals traffic. Nigeria is a party to the 1988 UN Drug Convention.

II. Status of Country

Nigeria does not produce precursor chemicals or drugs that have a significant effect on the United States, but Nigeria is fully entrenched as a major drug-transit country. In addition, Nigerian criminal elements operate global trafficking/criminal networks, moving cocaine and heroin to major developed country markets.

Nigerian drug organizations are heavily involved in corollary criminal activities to their prime illicit "business" of drugs. These include document fabrication, illegal immigration, and financial fraud. Their ties to criminals in the United States, Europe, South America, Asia, and South Africa are well documented. Nigerian poly-crime organizations exact significant financial and societal costs, especially among West African states with limited resources for countering these organizations.

The National Drug Law Enforcement Agency (NDLEA) is the law enforcement agency with sole responsibility for combating narcotics trafficking and drug abuse in Nigeria. In 2007, the NDLEA enjoyed successes in securing more resources from the Nigerian national budget, but is still underfunded. The Agency received a total sum of N26.824M (ca. \$220,000 for administrative expenses and N357M (ca. \$3 million) for salaries and benefits (\$1 U.S. dollar = 118.60 Nigerian Naira). No funds were released for capital projects.

All law enforcement agencies suffered a loss of focus while the country concentrated on local, state and national elections in April 2007. Cooperation among Nigeria's law enforcement agencies still leaves much to be desired. Although all law enforcement elements are represented at Nigeria's international airports and at its seaports, joint operations between them are virtually non-existent. A

missing ingredient partially explaining the dearth of apprehensions of major traffickers or the absence of consistent interdiction of major shipments of contraband is interagency cooperation. No single law enforcement agency in Nigeria has adequate resources to combat the increasingly sophisticated international criminal networks that operate in and through the country itself; inter-agency cooperation is necessary for success.

III. Country Actions Against Drugs in 2007

Policy Initiatives. Nigeria's counternarcotics policy is based on the National Drug Control Master Plan (NDCMP), which has been in place since 1998. This plan assigns responsibilities to various government ministries and agencies as well as NGOs and other interest groups. In addition, the Master Plan outlines basic resource requirements and timeframes for the completion of objectives. Many of these goals are still unfulfilled.

NDLEA has 46 field operational commands, seven (7) established Directorates and nine (9) autonomous Units and offices that work together to carry out the drug control mandate of the Agency. Additionally, the recent computerization of the Agency's administrative and accounting statistics ensures greater efficiency and transparency than in the past.

Law Enforcement Efforts. Established in 1989, the NDLEA works alongside Nigerian Customs, the State Security Service, the National Agency for Food and Drug Administration and Control (NAFDAC), the Nigerian Police Force (NPF), and the Nigerian Immigration Service at various ports of entry and throughout the country. The NDLEA's most successful interdictions have taken place at Nigeria's international airports, with the majority of hard drug seizures (e.g., cocaine and heroin) at Lagos Murtala Mohammed International Airport. Increasing numbers of drug couriers are being apprehended at Abuja International Airport. The agency has successfully apprehended individual drug couriers transiting these airports, but only a few of the major drug traffickers sponsoring these couriers. Efforts similar to the vigorous inspections conducted at Lagos and Abuja international airports are also needed at Nigeria's five major seaports as smugglers change their tactics to avoid detection. NDLEA also emphasizes a public campaign focused on destroying the annual marijuana crop throughout the country.

Between January and September 2007, Nigerian law enforcement apprehended 3440 narcotics law violator suspects and seized a total of 46,487 kg of various types of illicit drugs summarized thus: Cannabis—45,937 kg; Cocaine—259.2 kg; Heroin—85.9 kg; and Psychotropic substances—204.5 kg. Indeed, a single seizure of 62.4 kg of heroin at Kano Airport sent from Pakistan in April 2007 is a strong indication that heroin still remains a serious threat to the country. More vigilance is required not only to prevent the importation of cocaine through the borders but also to prevent the importation of heroin through the airports.

Attempts by the NDLEA to arrest and prosecute major traffickers and their associates often fail in Nigeria's courts, which are subject to intimidation and corruption. Asset seizures from narcotics traffickers and money launderers, while permitted under Nigerian law, have never been systematically utilized as an enforcement tool, but some convicted traffickers have had their assets forfeited over the years. The number of major traffickers penalized remains small. NDLEA has requested that the National Assembly amend the narcotics law to provide a more strict and effective punishment for major traffickers with the minimum sentence being a 5-year jail term and no option of a fine, plus provision for the seizure of a foreign offender's passport.

Drug-related prosecutions have continued at a steady pace. Special drug courts and a more energetic approach by the NDLEA to prosecute drug traffickers efficiently and successfully have been put in place.

The NDLEA has assumed a leadership role in drug enforcement in the region. With DEA assistance, the NDLEA created the West African Joint Operation (WAJO) initiative, bringing together drug enforcement personnel from 15 countries in the region to improve regional cooperation. DEA-assisted WAJO planning conferences have continued to be held successfully. The NDLEA continues expanded counternarcotics cooperation with the police in South Africa, where Nigerian criminal organizations are believed to be responsible for the bulk of drug trafficking.

Corruption. Corruption has for many years, permeated Nigerian society and continues to be a systemic problem in Nigeria's government. Unemployment is very high and civil servants' salaries are low. In addition, actual payment of salaries is frequently months in arrears, compounding the corruption problem. To combat corruption in Nigerian society, the Nigerian Government established the Independent Corrupt Practices and Other Related Offences Commission (ICPC), through the Corrupt Practices and other Related Offences Act of 2000. The Act prohibits corrupt practices and other related offences, and also provides for punishment for those offenses. Recent high profile investigations and arrests have resulted in cabinet level officials being charged, dismissed from their post and incarcerated while awaiting hearings on corruption charges. None of these actions were for drug-related offenses. USG technical assistance funded through State/INL and implemented by the U.S. Department of Justice has continued providing the ICPC with additional training and technical assistance, including a Resident Legal Advisor (RLA) to improve enforcement against corruption. Neither Nigerian policy nor any senior government officials are known to encourage or facilitate the illicit production or distribution of illegal substances or the laundering of proceeds from illegal drug transactions.

Agreements and Treaties. Nigeria is a party to the 1988 UN Drug Convention, the 1961 UN Single Convention on Narcotic Drugs, as amended by the 1972 Protocol, and the 1971 UN Convention on Psychotropic Substances. Nigeria has signed the UN Convention against Transnational Organized Crime, the Protocol against Trafficking in Persons, the Protocol against Smuggling of Migrants, and the Protocol Against Trafficking in Illegal Firearms. The 1931 U.S.-UK Extradition Treaty, which was made applicable to Nigeria in 1935, is the legal basis for U.S. extradition requests. The United States and Nigeria also have a Mutual Legal Assistance Treaty (MLAT), which entered into force on January 14, 2003.

The Government of Nigeria continues to work on a mechanism to process U.S. extradition requests expeditiously while observing due process under Nigerian law. Currently, a dedicated prosecutorial team handles all U.S. extradition cases before a specifically designated High Court judge. Nigerian law still affords the defendant many options to delay/confuse proceedings, especially interlocutory objection proceedings, which allow defendants to raise objections that are litigated first before the main case can proceed. There is one case pending extradition since 2004.

Cultivation/Production. Cannabis is the only illicit drug produced in any large quantities in Nigeria, and it is cultivated in all 36 states. Major cultivation takes place in central and northern Nigeria and in Delta and Ondo states in the south. Marijuana, or "Indian Hemp" as it is known locally, is sold in Nigeria and exported throughout West Africa and into Europe. To date, there is no evidence of significant marijuana imports from Nigeria into the United States. The NDLEA has continued to pursue an aggressive eradication campaign.

Drug Flow/Transit. Nigeria is a major staging point for Southeast and Southwest Asian heroin smuggled to Europe and the United States and for South American cocaine trafficked to Europe. While Nigeria remains Africa's drug transit hub, there are indications that the preferred methods of trans-shipment have changed. The NDLEA unit at Lagos' Murtala Mohammed International Airport conducts select searches of passengers and carry-on baggage. But they do not conduct 100 percent searches. This is extremely significant given the addition of DELTA Airlines direct flights to the U.S. from Lagos that started in December 2007. Nevertheless, the enhanced security posture at this airport has prompted some drug traffickers to use Nigerian seaports, concealing large quantities of contraband in shipping containers. They also seemed to have moved to other West African airports and seaports with even less stringent security controls.

Domestic Programs/Demand Reduction. Local production and use of marijuana have been a problem in Nigeria for some time; however, according to the NDLEA and NGOs, the abuse of harder drugs (e.g., cocaine, heroin) seems to be on the rise. Heroin and cocaine are readily available in many of Nigeria's larger cities. (Note: Since there is no formal tracking system or statistical evidence available, the actual extent of domestic drug abuse in Nigeria is unclear.) The NDLEA continues to expand its counternarcotics clubs at Nigerian universities and distribute counternarcotics literature. The NDLEA also has instituted a teacher's manual for primary and secondary schools, which offers guidance on teaching students about drug abuse. NDLEA sponsored a nationwide contest between primary and secondary schools with public presentations held at the "UN Day Against Drugs" ceremony in 2007. Sophisticated drug treatment is only available from a few private clinics in Nigeria's major cities.

IV. U.S. Policy Initiatives and Programs

Policy Initiatives. U.S.-Nigerian counternarcotics cooperation focuses on interdiction efforts at major international entry points and on enhancing the professionalism of the NDLEA and other law enforcement agencies. The DEA country office in Nigeria works with the NDLEA Joint Task Force and other operations personnel to help train, coordinate, plan and implement internal and regional interdiction operations. At all levels, USG representatives enjoy excellent access to their counterparts and there is an evident desire on both sides to strengthen these relationships. One option for a high-level law enforcement dialogue, which is being explored is a renewal of the U.S.-Nigeria Law Enforcement Working Group which used to meet annually, with each nation alternating as host in its capital. The last meeting of the Group was in 2004.

The Road Ahead. Federal funding for Nigerian law enforcement agencies and key anticrime agencies remains insufficient and erratic in disbursement. This affects the planning and consistency of actions on the part of these agencies, giving the impression of lack of commitment and ineffectiveness. Unless the Nigerian Government remedies this situation, very little progress will be made and none sustained. It will require strong and sustained political will and continued international assistance for any Nigerian government to confront these difficult issues and bring about meaningful change.

The U.S. government has expanded aid to Nigeria's counternarcotics efforts; counternarcotics assistance provided since February 2001 now totals over \$3 million. Although Nigeria does not produce reliable crime statistics, opinions vary on whether public security deteriorated throughout the country in 2007. The police remain grossly mistrusted by the Nigerian population and organized crime groups continue to exploit that mistrust by preying on citizens throughout the country.

Nigerian police are poorly trained. NDLEA has mandated that all its officers and operatives undergo re-training at the basic level and mid-level before qualifying for promotion under the new promotion scheme.

The U.S. government will continue to engage Nigeria on the issues of counternarcotics, money laundering and other international crimes. The underlying institutional and societal factors that contribute to narcotics-trafficking, money-laundering and other criminal activities in Nigeria are deep-seated and require a comprehensive and collaborative effort at all levels of law enforcement and government. Progress can only be made through Nigeria's own sustained effort and political will, and the continued support of the international community.

Saudi Arabia

I. Summary

The Kingdom of Saudi Arabia has no appreciable drug production and is not a significant transit country for drugs. Saudi Arabia's conservative cultural and religious norms discourage drug abuse. The Saudi Arabian Government (SAG) places a high priority on combating narcotics abuse and trafficking. Since 1988, the SAG has imposed the death penalty for drug smuggling. Drug abuse and trafficking are on the rise and are considered social and law enforcement problems. This rise has caused increased arrests and SAG policy responses, including a new education curriculum and the ongoing expansion of drug treatment facilities. Saudi Arabia is a party to the 1988 UN Drug Convention. SAG officials actively seek and participate in USG-sponsored training programs and are receptive to enhanced official contacts with the Drug Enforcement Administration.

II. Status of Country

The Kingdom of Saudi Arabia has no significant drug production. Considering its conservative religious values and 1988 UN Drug Convention obligations, the Saudi Arabian Government (SAG) places a high priority on fighting narcotics abuse and trafficking. Narcotics-related crimes are punished harshly; narcotics' trafficking is a capital offense enforced against Saudis and foreigners alike. According to SAG officials, there were approximately 9 executions for narcotics-related offenses in 2007, as of October 2007. The SAG maintains a network of overseas drug enforcement liaison offices and state-of-the-art detection and training programs to combat trafficking.

While SAG officials are determined in their counternarcotics efforts, drug abuse and trafficking has nevertheless increased significantly. Since the SAG provides no public statistics on drug consumption, interdiction, or trafficking, it is difficult to substantiate this assessment with hard data. According to a December 30 Khaleej Times article, the late King Fahd bin Abdul Aziz commissioned King Saud University in 2002 to conduct a study on drug addiction in the Kingdom. This study claimed that the number of drug addicts rose from 109,000 in 2002 to 150,000 in 2005. According to a June 26 Khaleej Times article, the Saudi Interior Ministry released statistics that drug abuse increased by 17 percent in 2007. Anecdotal evidence suggests that Saudi Arabia's affluent population, porous borders, large numbers of idle youth, and high profit margins on smuggled narcotics attract significant numbers of drug traffickers and dealers.

SAG efforts to treat drug abuse are aimed solely at Saudi nationals, while expatriate substance abusers are jailed and summarily deported. There are three Al-Amal Mental Health and Narcotics Hospitals in Riyadh, Jeddah, and Dammam and one Al-Amal health clinic in Qassim Province offering free detox, rehabilitation, and aftercare. Each hospital has 200 beds and the Qassim clinic has 50 beds for male inpatients. Al-Amal Hospital in Riyadh has a 6-bed ward for female inpatients. The hospitals in Jeddah and Dammam treat women as outpatients. Health officials describe a noticeable increase in inpatients and outpatients throughout the country in 2007. Hospitals officials claim that 13 new mental health and addiction hospitals will be built throughout the country.

Saudi patients come from all classes and regions; however, the majority of upper class addicts reportedly rely on private clinics in and outside of Saudi Arabia. Patients vary in age from lower teens to septuagenarians, but Ministry of Health (MOH) officials claim that the overwhelming majority are young men in their twenties and thirties. Most female patients have a male relative

who is also addicted to drugs. There is reportedly a 50 percent patient recidivism rate. Most patients participate in detox and rehabilitation treatment for 3-5 weeks. A new 2007 program for select, motivated patients provides 2-3 months of treatment and counseling. Hospital officials claim that 70-80 percent of patients are addicted to amphetamines or marijuana and the remaining patients are addicted to heroin, cocaine, and sedatives. MOH and hospital officials note that newer patients have the dual diagnosis of addiction and psychiatric issues, possibly due to consumption of contaminated drugs—particularly Captagon.

Captagon, hashish, khat, and heroin are the most heavily consumed substances in order of prevalence. The wealthiest segments of society tend to consume the purest, highest potency drugs, while the majority of drug abusers consume more diluted forms. Captagon and other amphetamines are reportedly consumed mainly by students, drivers, and employees seeking prolonged energy. Khat is reportedly mainly consumed by Yemeni and Somali expatriates. Saudi officials say that heroin and cocaine are in greater demand in the two large Saudi cities of Jeddah and Dammam. Paint and glue inhalation and prescription drug abuse are also reported.

III. Country Actions Against Drugs In 2007

Policy Initiatives. The lead agency in Saudi Arabia's drug interdiction efforts is the Ministry of Interior, which has over 40 overseas offices in countries representing a trafficking threat. There are reports that more offices will open in 2008. According to a June 25 Arab News article, Interior Minister Prince Naif bin Abdul Aziz announced that the SAG is setting up a fund to help people recovering from drug addiction to become productive citizens. In addition, the SAG continues to play a leading role in efforts to enhance counternarcotics intelligence sharing among the six nations of the Gulf Cooperation Council. The government also continues to block internet sites deemed to promote drug abuse.

The General Directorate for Combating Narcotics (General Directorate) coordinates SAG efforts across Ministries. The women's branch was established in 1988 and has approximately 40 female employees. The General Directorate launched an awareness campaign on June 24, 2007 targeting schools and families. According to a June 25 Arab News article, the campaign will develop a new school and college syllabi by 2008 on the dangers of drug use. Interior Minister Prince Naif bin Abdul Aziz has endorsed a plan for the General Directorate to work with the Education Ministry to implement this campaign. Efforts are underway to establish offices at schools to counsel students about the dangers of drug addiction.

According to a December 21, 2007 Arab News article, the National Anti-Drug Committee directs a 12-step rehabilitation program for Saudi addicts in each of the Kingdom's 13 provinces. The program, which began 8 years ago, runs between 3 months to 2 years depending on the case. 1,250 former addicts have participated in the program, which includes performing the annual *hajj* or pilgrimage to Mecca. According to Abdelilah al-Sharif, advisor to the Committee, only 20 of the 1,250 who performed the *hajj* have relapsed to addiction. The Committee chose 200 former drug addicts and dealers to take part in the 2007 *hajj*.

Law Enforcement Efforts. Drug seizures, arrests, prosecutions, and consumption trends are more frequently reported in local media. According to the November 13 Saudi Channel 1 "Sixty Minutes" program, Brigadier General Ahmad al-Zahrani, head of the General Directorate's drug combating section, claimed that his department has seized over 22,752,000 Captagon pills, over 5 tons of hashish, over 16.8 kilograms of heroin, and 4.3 kilograms of cocaine between May 2007 and November 2007. According to a November 6 Arab News article, the Saudi Directorate of Public Security was awarded a prize by the Council of Arab Interior Ministers for launching a new

awareness campaign against drug addiction. Major General Othman ibn Nasser al-Mahraj, Chief of the General Directorate, lauded the help and cooperation of anti-narcotics departments in Syria, Turkey, Lebanon, and Gulf countries to foil smuggling attempts. He also argued that the new system regulating truck movement across borders was successfully minimizing drug smuggling.

Corruption. As a matter of government policy, the SAG does not encourage or facilitate illicit production or distribution of narcotic or psychotropic drugs or other controlled substances, or the laundering of proceeds from illegal transactions. There is no evidence of SAG officials' involvement in the production, processing, or shipment of narcotic and psychotropic drugs and other controlled substances. Anecdotal evidence suggests that drugs are widely used in Saudi prisons in which certain officers are involved in selling and distribution. Saudi Arabia has signed, but not ratified, the UN Convention Against Corruption.

Agreements and Treaties. Saudi Arabia is a party to the 1988 UN Drug Convention, the 1971 UN Convention on Psychotropic Substances, and the 1961 UN Single Convention as amended by its 1972 Protocol. Saudi Arabia is also a party to the UN Convention against Transnational Organized Crime and its protocols on trafficking in persons and migrant smuggling.

Cultivation/Production. Cultivation and production of narcotics in Saudi Arabia is minimal. According to academics and MOH officials, Khat production appears to be localized to the rural areas of the southern Jizan Province; most Khat is imported from Yemen.

Drug Flow/Transit. Saudi Arabia is not a major drug transshipment point. SAG officials say that stricter control measures practiced by the country have led to more seizures by Saudi Customs and Border officials. Drugs are smuggled in various manners, including via couriers who come to the Kingdom to participate in the annual *umra* and *hajj* ceremonies and via the land borders. Captagon and heroin are reportedly smuggled into the country from Eastern Europe and Turkey via the northern border with Jordan. Hashish is mainly smuggled via the southeastern border with the United Arab Emirates. Khat is mainly smuggled via the southern border with Yemen.

Domestic Programs/Demand Reduction. In addition to widespread media campaigns against substance abuse, the SAG sponsors drug eradication programs directed at school-age children, health care providers, and mothers. The Ministry of Civil Service began requiring applicants for certain civil service positions to take a drug test beginning in January 2007. Executions of convicted traffickers by well-publicized beheadings are believed by SAG officials to deter narcotics trafficking and abuse. The country's influential religious establishment actively preaches against the use of narcotics and SAG treatment facilities provide free services to Saudi addicts. The Director General of Prisons told the press that 13,000 prisoners (or 45 percent) are in Saudi jails due to drug convictions. He estimated that most addicted prisoners range in age between 19 and 29 years. He added that the Prison Directorate is building a "half-way" house for incarcerated addicts undergoing treatment after their sentences have been completed.

IV. U.S. Policy Initiatives and Programs

Bilateral Cooperation. SAG officials actively seek and participate in USG-sponsored training programs and are receptive to enhanced official contacts with the Drug Enforcement Agency (DEA). Saudi Arabia is part of the International Counter-narcotics Office in Cairo that works closely with U.S. counternarcotics agencies. DEA invited Saudi officials to attend with observer status the May 2007 International Drug Enforcement Conference, sponsored by DEA and State INL, in Madrid. Saudi Arabia and the United Arab Emirates were the first Arab countries to attend the conference. Over 80 other countries were in attendance, and Saudi Arabia has asked to be a

member in 2008. In addition, two Saudi agents were invited to participate in Drug Unit Commander training at the DEA Academy in 2007.

DEA Cairo provided SAG officials several leads on potential trafficking. Most leads were developed in Pakistan and passed by DEA Islamabad to DEA Cairo. This information led to the arrest of 14 people and the interdiction of over 6 tons of hashish.

The Road Ahead. The U.S. will continue to explore opportunities for additional bilateral training and cooperation with Saudi counternarcotics and demand reduction officials.

South Africa

I. Summary

South Africa is committed to fighting domestic and international drug trafficking, production, and abuse. The country is an important transit area for cocaine (from South America) and heroin (from Central and East Asia) primarily destined for Southern African and European markets. South Africa is a large producer of cannabis (the world's fourth largest according to the South African Institute for Strategic Studies), most of which is consumed in the Southern African region, but at least some of which finds its way to Europe (primarily the UK). It also may be the world's largest consumer of mandrax, a variant of methaqualone, an amphetamine-type stimulant. Mandrax is a preferred drug of abuse in South Africa; it is smuggled, primarily from India but also from China and other sources. South Africa has also become a significant transit country for precursor chemicals. According to the Organized Crime Threat Analysis prepared by the South African Police Service (SAPS) for the period March 2006 to March 2007, 273 organized crime groups operate in South Africa. Most of the organized crime syndicates in South Africa are foreign-led—primarily Nigerian, followed by Pakistani and Indian syndicates. Chinese Triads are also present. The Prevention of Organized Crime Act (POCA, 1988), particularly its asset forfeiture section, has become a useful tool for law enforcement. South Africa is a party to the 1988 UN Drug Convention.

II. Status of Country

South Africa's transition to democracy and its integration into the world economy were accompanied by the increased use of its territory for the transshipment of contraband of all kinds, including narcotics. An overloaded criminal justice system, straining hard just to deal with "street crime," makes South Africa a tempting target for international organized crime groups of all types. South Africa has the most developed transportation, communications and banking systems in Sub-Saharan Africa. The country's modern telecommunications systems (particularly cellular telephones), its direct air links with South America, Asia and Europe, and its permeable land borders provide opportunities for regional and international trafficking in all forms. The sanctions busting practices so prevalent in the apartheid era have continued under a different guise: instead of smuggling embargoed items, drugs and other illicit items are now smuggled into and out of South Africa. South Africa is both an importer and an exporter of drugs (marijuana produced on its own territory) and precursor chemicals.

Despite the progress it has made coping with organized crime, South Africa is the origin, transit point or terminus of many major drug smuggling routes. Cannabis, for instance, is cultivated in South Africa, imported from neighboring countries (Swaziland, Lesotho, Mozambique, Zimbabwe), exported to neighboring countries (e.g., Namibia) and Europe (mainly Holland, UK) and consumed in South Africa. LSD is imported from Holland. Methamphetamine is manufactured in South Africa for local consumption, and there has been an explosion in usage, especially in Cape Town and, more recently, in Pretoria. Both heroin and cocaine are imported into South Africa (from Asia and Latin America, respectively), and also exported to Europe, Australia and even the U.S. and Canada. Cocaine from Bolivia and Peru goes through Colombia to Brazil and Argentina, then to South Africa via Portugal or Angola or directly to Johannesburg. To stop some of this trafficking, South Africa needs increased international cooperation and assistance in the effective use of international controlled deliveries and training.

South Africa ranks among the world's largest producers of cannabis. Most exports go to Europe and the UK but some shipments destined for Canada and possibly the United States have been detected. In terms of use of narcotics, heroin is a particularly dangerous new trend among South Africans, who traditionally only used "dagga" (the local name for marijuana). The Medical Research Council has reported that heroin abuse is increasing in Gauteng, Mpumalanga and the Western Cape. According to press reports, heroin is reportedly widely abused in Pretoria. South Africa is becoming a larger producer of synthetic drugs, mainly mandrax, with precursor chemicals smuggled in and labs established domestically.

As in previous years, a number of clandestine narcotics laboratories were dismantled. From January 2007 to September 2007, SAPS reported 52 labs detected and dismantled. Police reported that because of this crackdown, labs were increasingly established on farms, making it more difficult for the police to find and destroy them. The "South African Community Epidemiology Network on Drug Use" (SACENDU) reported that although alcohol remains the dominant substance of abuse in South Africa, cannabis and mandrax alone or in combination continue to be significant drugs of abuse. "Club drugs" and methamphetamine ("Tik" in South Africa) abuse are emerging as a major concern, especially in Cape Town and Pretoria where the increase in treatment demand for methamphetamine is dramatic.

Methamphetamine has emerged as the main substance of abuse among the young in Cape Town and in Pretoria. In Cape Town, two-thirds of drug abusers are reported to be using Tik as a primary or secondary substance of abuse. The increase in treatment admissions for methamphetamine-related problems in Cape Town represented the fastest increase in admissions for a particular drug ever noted in the country, and of particular concern is the large number of adolescent users. Police officials recently reported that the use of Tik in the Western Cape is growing at the rate of 300 percent year-on-year. This increased use of methamphetamine is "strongly linked to gang culture on the Cape Flats."

III. Country Actions Against Drugs in 2007

Policy Initiatives. Combating the use of, production of, and trafficking in illicit narcotics is an important component of the anticrime agenda of the South African Government (SAG). As a practical matter, however, the SAG tends to target its limited anticrime resources on serious, violent and domestic crime. South Africa has one of the world's highest rates of murder and rape. The porous borders are crossed daily by criminals trafficking in all sorts of contraband, including illicit drugs, stolen cars, illegal firearms, diamonds, precious metals, and human beings. The Cabinet interagency "Justice Cluster" works to help coordinate the law enforcement and criminal justice system's response to those challenges. The Narcotics Bureau was integrated into the police organized crime units in 2003. There is also a Central Drug Authority. Other SAG agencies involved in counter narcotics efforts include—in varying degrees—the Home Affairs Department, the National Prosecuting Authority and its Directorate of Special Operations (DSO) (popularly known as "The Scorpions"), the Customs Service, and the Border Police (a part of SAPS). The U.S. helped train the DSO. The Border Police have 55 land border posts, 10 air-border posts and 9 sea-border posts. Intelligence organizations and the port and airport authorities also have a role in identifying and suppressing drug trafficking. The SAPS 2005/2006 Annual Report noted that an analysis of threats from organized crime groups over the past decade identified drug threats as accounting for the largest proportion of the known threats. The report said that drug smuggling as an organized crime activity usually ties in with other aspects of organized crime, such as diamond smuggling, gold smuggling, abalone pirating and vehicle hijacking. SAPS concluded that drugs

such as mandrax, cocaine, heroin, Ecstasy and Tik pose major threats to South Africa since they lead to violent crime such as murder, attempted murder, rape and assaults.

Law Enforcement Efforts. SAPS reported that between March 2006 and March 2007 the following quantities of drugs were seized:

- Cannabis (excluding plants): 213,114.987kg (street value in Rand: 277 million), as against 290,117.108 kg during 2005/2006; in addition, 3,407,515 plants were eradicated during this reporting period (one U.S. dollar equals approximately seven South African Rand);
- Methaqualone: 212,580 dosage units or: 129.6 kg;
- Cocaine: 1.24 MT;
- Heroin: 7.7 kg;
- LSD: 225 dosage units;
- Amphetamine-type stimulants (ATS): 42,082 dosage units or: 75.1 kg.

The number of detected drug-related crimes, according to the annual SAPS Report, grew during this reporting period from 95,690 in 2006 to 104,689 in 2007, a 9.4 percent increase. Ninety-five percent of these crimes were referred to court. The number of arrests at the border for this period was 231, compared with 383 in 2005/2006. The value of drugs seized at the country's borders also increased from Rand 37,921, 326 in 2005/2006 to Rand 39,106,816.

Additional enforcement successes were reported in the press. For instance: In May 2007, SAPS seized cocaine worth Rand 60 million at the OR Tambo International Airport in Johannesburg bringing the total value of cocaine seized at that airport over the last two years to between Rand 200 million and Rand 300 million. SAPS conducted 10 international controlled deliveries this reporting period – one from Pakistan, two from India, three from the UK, one from France, one to Lesotho, one to Brazil and one to the UK. SAPS' Airport Interdiction Unit makes weekly seizures of cocaine from South America and heroin from Pakistan at the Johannesburg and Cape Town Airports.

Corruption. Accusations of police corruption are frequent; although the experience of enforcement officers working from the U.S. Embassy is that many of the failures and lapses by the police can be attributed to a lack of training and poor morale. Credible evidence of narcotics-related corruption among South African law enforcement officials has not been brought to light. Some suspect that the reported quantities of seized drugs are lower than actual seizures, and that the difference finds its way back out on the street. Some amount of corruption among border control officials does appear to contribute to the permeability of South Africa's borders. As a matter of policy, however, the South African government does not encourage or facilitate the illicit production or distribution of narcotic or psychotropic drugs or other controlled substances, or the laundering of proceeds from illegal drug transactions. Likewise, no senior official of the federal government is known to engage in, encourage or facilitate such illicit production, or to launder proceeds of illegal drug transactions, to post's knowledge.

Agreements and Treaties. South Africa is a party to the 1988 UN Drug Convention, the 1971 UN Convention on Psychotropic Substances, and the 1961 UN Single Convention as amended by the 1972 Protocol. South Africa is a party to the UN Convention against Corruption, and is also a party to the UN Convention against Transnational Organized Crime and its protocols against trafficking in persons, migrant smuggling and illegal manufacturing and trafficking in firearms. The U.S. and

South Africa have bilateral extradition and mutual legal assistance agreements in force, as well as a Letter of Agreement on Anticrime and Counter-narcotics Assistance. The Letter of Agreement provides for U.S. training and commodity assistance to several South African law enforcement agencies. In 2000, the U.S. and South Africa signed a Customs Mutual Assistance Agreement.

Cultivation/Production. Cannabis or “dagga” grows wild in Southern Africa and is a traditional crop in many rural areas of South Africa, particularly the Eastern Cape and Kwa-Zulu Natal provinces. It also grows wild and is cultivated in neighboring Swaziland and Lesotho. It is possible to have three cannabis crops a year on the same piece of land in South Africa. Most South African cannabis is consumed domestically or in the region. Increasing amounts are, however, being seized in continental Europe and the UK. Some top-end estimates are that 20,000 to 30,000 hectares of arable land are used to grow cannabis, although most observers estimate the area dedicated to illicit cannabis to be about 1,500-2,000 hectares. Although the police force, with some success, sprays cannabis in South Africa, Swaziland, and Lesotho, illicit street prices never seem to raise – an indication of uninterrupted supply.

Mandrax, amphetamine, and methamphetamine are also produced in South Africa for domestic consumption. Among South Africans, “dagga” and mandrax are the traditional drugs of choice; in more recent years, there has been rising interest in domestically produced ATS and imported heroin.

Drug flow/Transit. Significant amounts of cocaine reach South Africa from South America. Cocaine is readily available on the local illicit market. Cocaine is mainly brought in by Nigerian syndicates, or people who work for them. South Africa, once a country of transshipment, has become a country with its own market. The consumption of cocaine, both powder and crystalline (“crack”), is on the increase. Heroin is smuggled into South Africa from Southeast and Southwest Asia, with some moving on to the U.S. and Europe. Most heroin trafficked into South Africa is intended for domestic consumption. Consumption of heroin among South African youth has increased with the advent of smokable heroin. An additional risk in terms of intravenous drug abuse is HIV/AIDS, a major health issue in South Africa. South Africans also import “dagga” from Swaziland and Lesotho, considering it to be of higher quality than the domestic version. Abuse of methaqualone (Mandrax) and other ATS tablets is on the rise too, especially among urban youth. Even Ecstasy finds its way into townships. Diverted precursor chemicals, some produced locally and some imported into South Africa, are also a growing problem. Many drug liaison officers, as well as South African Police Service officers, believe that South Africa is becoming a place for traffickers to warehouse their stocks of various drugs before sending them on to other countries. They believe that criminals view South Africa as a “weak enforcement” option for such warehousing operations. Nigerian, Pakistani, Indian, Colombian, Venezuelan, and Chinese syndicates are all taking advantage of the fact that South Africa, in addition to “weak enforcement,” has excellent financial, transportation, and communications facilities. SAPS reports that between January and September 2007, the chemical monitoring program to prevent the diversion of chemicals for the manufacture of illicit drugs checked 295 import notifications of precursors to South Africa.

A total of 1,468 export notifications of precursors were forwarded to relevant foreign authorities, which is a 64 percent increase over the past year. This increase in exports is partially due to the SAPS’ increased reporting and South Africa’s lead role in the production of pharmaceuticals in Africa. Traffickers of Nigerian origin may be the most established of organized crime groups operating in South Africa. Using South Africa as their base for world-wide operations, they are involved in virtually every aspect of drug trafficking.

South Africa is the third-largest non-U.S. importer of pseudo ephedrine and the fourth-largest non-U.S. importer of ephedrine. The latest Global Trade Atlas (<http://www.gtis.com/gta/>) statistics indicate South Africa's imports of ephedrine in 2003 were 5,703 kilograms and increased in 2005 to 14,374 kilograms; there was a sharp decline to 7,175 Kg in 2006. Even more significant, imports of pseudo ephedrine in 2003 to South Africa were 3,840 kilograms in 2003 and increased to 91,400 kilograms in 2005. In 2006, pseudoephedrine imports fell precipitously to 10,733 Kg. The imports are reportedly for use by the domestic pharmaceutical industry, which markets both locally and regionally. While the South African Police Service's Chemical Control Program is by far the most progressive in Africa, the potential for diversion of this ephedrine and pseudo ephedrine is an area of concern. South Africa participates in the UN sponsored program Project Prism and is a member of the Project Prism Task Force, serving as the focal point for Africa. South Africa is actively involved in the law enforcement initiatives being developed pursuant to Project Prism to halt the diversion of precursors to illicit chemical trafficking and drug manufacturing organizations around the world. During the course of the past year, DEA's office in Pretoria has participated with South African authorities on a number of investigations involving methamphetamine precursors with the potential to impact the United States.

Domestic Programs. South Africa has had a long history of mandrax and "dagga" (cannabis) abuse; drug counselors have noted large increases in the number of patients seeking treatment for crack and heroin addiction. SAG treatment facilities and non-government drug rehabilitation agencies have seen their budgets for treatment cut the last few years. There are many people seeking treatment who are unable to register with any program, and those who manage to enter a rehabilitation program find that available services are constrained by lack of resources. Education of the general public about the dangers of drug addiction remains a high priority for the government. SAPS is continuing its visible crime deterrence policy by organizing visits and counternarcotics lectures in schools with assistance from the Department of Education and NGOs. The objective is to curb the influence of illegal drugs among children. The National Awareness Program, sponsored by the United Nations Office for Drugs and Crime (UNODC), the Department of Safety and Security and the Central Drug Authority, and originally launched in Cape Town in 2003, continues to present facts on drugs and their dangers to young people, students and others, under the slogan "Ke Moja" ("No Thanks, I'm Fine!").

Certain successes have been achieved within the correctional system as well, mainly through the efforts of NGOs. In South African prisons, up to 70 percent of inmates are drug users (with an even higher percentage among incarcerated defendants awaiting trial), according to NGO contacts. Among the main rehabilitation program organizers are KHULISA, the Center for Socio-Legal Studies, Creative Education with Youth at Risk, the President's Award for Youth Empowerment, and the National Institute for Crime Prevention and the Reintegration of Offenders (NICRO). These NGOs are partly funded by State Department narcotics assistance. "Peer" counselors, trained by KHULISA within the prison system, continue to organize counternarcotics lectures and seminars for inmates. Some of the government-employed prison officials have also received basic training in this area.

IV. U.S. Policy Initiatives and Programs

Policy Initiatives. U.S. law enforcement officers from the DEA, FBI, DHS/ICE (Immigration & Customs Enforcement), the Secret Service, and the State Department successfully cooperate with their South African counterparts. The U.S. also continues to urge the SAG to strengthen its legislation and its law enforcement system to be able to prosecute more sophisticated organized criminal activities, including drug trafficking. The Scorpions, with U.S. training, have targeted

organized crime and high-profile crime of all sorts. Some training has also been provided to the national police, the metropolitan police forces of Johannesburg and Tshwane (Pretoria), the Special Investigating Unit, the Department of Home Affairs, the Customs and Revenue Service, and others.

The Road Ahead. Bilateral links between the United States and South African law enforcement communities are in the interest of both countries and even closer cooperation is needed. Assistance from the U.S. and other donors is essential to help develop the law enforcement system in South Africa.

Syria

I. Summary

In 2007, the Government of the Syrian Arab Republic (SARG) continued to publicize its efforts to interdict and punish drug smugglers, while downplaying domestic narcotics consumption. Syria remains primarily a transit country for narcotics en route to more affluent markets in Europe and the Persian Gulf. Continuing political conflicts in Lebanon and Iraq, porous borders, and endemic police corruption make Syria an attractive overland smuggling route between Europe/Turkey and the Persian Gulf. Domestic Syrian consumption of illicit drugs is not widespread, largely due to harsh penalties and cultural norms stigmatizing substance abuse. However, recent reports indicate an increasing prevalence of local prescription drug abuse, particularly in Aleppo. Syria continues to have a working anti-narcotics relationship with Saudi Arabia and Jordan, but counternarcotics cooperation with Lebanon has diminished since Syrian forces withdrew from Lebanon in 2005. Syria is a party to the 1988 UN Drug Convention.

II. Status of Country

Syria is not a major producer of narcotics or precursor chemicals. Due to political conflicts in neighboring Lebanon and Iraq, however, Syria is an increasingly important transit country for narcotics between Europe and the Persian Gulf. Hashish, heroin and cocaine are, respectively, the most prevalent narcotics transiting Syria destined for Lebanon and Europe. Syria is also along the trafficking route for Captagon (fenethylline), a synthetic amphetamine-type stimulant. Captagon is increasingly trafficked through Syria from Turkey and Lebanon to the Gulf States. A newer phenomenon, however, is the smuggling of Captagon through Syria to Iraq for use by foreign fighters and insurgents.

III. Country Actions Against Drugs in 2007

Policy Initiatives. Syrian drug policy is based on Law No. 2 of 1993, which authorizes harsh punishment – including capital punishment – for those convicted of narcotics manufacturing, trafficking, or sales. However, the same law prescribes treatment at state-operated rehabilitation facilities for drug addicts who surrender to the police. Provided addicts have no other serious criminal offenses, and make a good faith effort during treatment programs, Law No. 2 exempts them from punishment. Authorities admit that some drug dealers have exploited this aspect of the law to avoid incarceration and locate additional customers.

In 2002, Syria upgraded its Counternarcotics Unit from a branch to a directorate of the Interior Ministry. The government also opened regional counternarcotics offices in Aleppo province, covering the Turkish border, and in Homs province, to monitor the Lebanese border, with eventual plans to open offices in the remaining provinces. A new police facility for the Syrian Anti-Narcotics Department was opened in Damascus during the early part of 2006. With the opening of the new facility came the arrival of new and updated equipment that will be used to enhance Syria's drug investigation capabilities. This facility also houses the country's newest drug lab. In 2005, Syrian officials implemented its 2002 draft decree of providing financial incentives of up to several million Syrian pounds (\$1 = 50 SP) to anyone providing information about drug trafficking and/or illicit drug crop cultivation in Syria.

Law Enforcement Efforts. According to recently-published statistics for 2006, the Syrian government confiscated 172 kg of hashish, 65 kg of heroin, 19 kg of cocaine, 8.9 million Captagon tablets, 200,000 other assorted narcotics tablets and 6.8 MT of precursor materials. Currently, Lebanese hashish sells for \$1 per gram on the street in Syria, while one gram of clean heroin brings \$30, and one gram of cocaine costs about \$120. Thus, the 2006 seizures represent a street value of over \$4.6 million.

In 2007, 48 percent of all drug crimes in Syria were committed in greater Aleppo, likely due to its proximity to the Turkish border. Consequently, Syria's law enforcement efforts to combat narcotics smuggling concentrated primarily on Aleppo and at border-crossing points. In early August, Aleppan authorities arrested an infamous Syrian smuggler in possession of 1000 kg of narcotics and Captagon tablets, 600,000 Euros, \$500,000 in U.S. Dollars, and 4.5 million Syrian Pounds. In another Aleppo-based operation in October, Syrian police arrested nearly 700 smaller-scale drug dealers and seized several residential labs for manufacturing sedatives. At the Al Tanf checkpoint on the Iraqi border in September, an Iraqi refugee was caught attempting to smuggle 92 kg of hashish in his car. And in perhaps the most high-profile drug-related sentencing of the year, the Criminal Court of Lattakia gave the death penalty to a Syrian dealer who was apprehended with 11kg of heroin originating from Turkey.

Syrian officials characterized cooperation on drug issues with neighboring Saudi Arabia and Jordan as excellent, but say that counternarcotics cooperation with Lebanese and Iraqi officials has diminished. Turkey continues to provide some technical assistance to Syria, primarily training courses, as part of their joint efforts to combat trafficking of narcotics, according to Turkish officials based in Damascus.

Corruption. Generally speaking, corruption is a daily fact of life in Syria. Cultural acceptance of corruption, in addition to below-average compensation for police and customs officials, creates an environment ripe for smuggling. The Syrian government did not provide information whether it had conducted any investigations into corruption, and the SARG has been reluctant to discuss this issue further. The Syrian government has an Investigations Administration (Internal Affairs Division) responsible for weeding out corrupt officers in the counternarcotics unit and the national police force. The Investigations Administration is independent of both the counternarcotics unit and the national police and reports directly to the Minister of the Interior. As a matter of government policy, the Government of Syria does not encourage or facilitate illicit production or distribution of narcotic or psychotropic drugs or other controlled substances, or the laundering of proceeds from illegal transactions.

Agreements and Treaties. Syria is a party to the 1988 UN Drug Convention, the 1961 UN Single Convention as amended by the 1972 Protocol, and the 1971 UN Convention on Psychotropic Substances. Syria has signed, but not yet ratified, the UN Convention against Transnational Organized Crime and the UN Convention against Corruption. Syria and the United States do not have a counternarcotics agreement, nor is there an extradition treaty between the two countries. In 2007, the Syrian Interior Ministry signed an Agreement of Cooperation with the Russian Anti-Drug Trafficking Authority. The Agreement provides for a bilateral exchange of information and expertise, law enforcement training joint scientific chemical research and regularly occurring workshops. Also, the Iranian National Police offered to share their experience in counternarcotics with a delegation of Syrian police in the near future, although no date for the exchange was confirmed.

Cultivation/Production. Traditional drug cultivation and production remain at negligible levels in Syria. However, Syria does have a sizable, legitimate pharmaceutical industry that produces

inexpensive prescription pain medication, among other drugs. Currently, the trafficking of prescription pain medicine is not legally categorized as the equivalent offense of trafficking in illicit drugs, despite the addictive nature of most prescription painkillers. Additionally, Syrian law currently supports the common practice of “leasing” a licensed pharmacist’s credentials. In this practice, investors may “lease” a pharmacist’s credentials in order to open and operate a licensed pharmacy in Syria. A pharmacist will receive payment for allowing his/her name to appear on the business registration, but the pharmacist may have nothing further to do with the operation of the pharmacy.

In 2007, multiple media reports highlighted significant abuse of prescription drugs in Aleppo, specifically Valium, Baltan and Proxamol. Several pharmacists were threatened with violence by addicts and dealers attempting to obtain painkillers without a prescription. After accounts of taxi drivers being beaten and robbed, many Aleppan taxis refused to enter certain neighborhoods known for prescription drug trafficking activity. An Aleppan social worker also reported seeing an increasing number of cases of children as young as 10 addicted to prescription pills. Responding to these reports, Syrian police closed 50 pharmacies in the greater Aleppo area in late October for selling prescription painkillers to customers without a doctor’s prescription. As each of the offending pharmacies was operated by a businessman leasing a pharmacist’s credentials, the Aleppan Pharmacists Union requested the government’s intervention to close this legal loophole.

Drug flow/transit. Syrian officials estimate that in 2007, the overall flow of illegal narcotics transiting Syria and destined for other countries had increased. As mentioned above, one likely reason for this increased traffic is that the continuing political conflicts in Lebanon and Iraq have made Syria a more attractive overland smuggling route between Europe/Turkey and the Gulf. Also due to political instability in Lebanon, Damascus has replaced Beirut as the favored summer vacation destination for many wealthy Gulf Arabs and Iranian tourists, which has increased local demand for illicit substances.

Transshipment of narcotics from Turkey continues to represent the major challenge to Syria’s counternarcotics efforts, as the porous Turkish/Syrian border provides easy entry points for drug smuggling into Syria. Narcotics coming from Iraq are transported into Syria either directly or via Jordan. The SARG’s reported seizure statistics suggest that SARG counternarcotics efforts have been more effective, or more likely, the overall flow of narcotics has increased. Main shipment routes include the transit of hashish and cocaine through Syria to Europe and other countries in the region; opium transiting from Pakistan and Afghanistan through Syria to Turkey; and Captagon pills transiting from Turkey through Syria to Saudi Arabia and Iraq.

Domestic Programs. The Syrian government’s counternarcotics strategy, which is coordinated by the Ministry of the Interior, uses the media to educate the public on the dangers of drug use and drug awareness is also part of the national curriculum for schoolchildren. The Ministry also conducts awareness campaigns through university student unions and trade unions. The SARG also regularly publishes accounts of successful law enforcement efforts to combat narcotics in the various government-owned media outlets.

Due to the social stigma attached to drug use and to stiff penalties under Syria’s strict anti-trafficking law, domestic consumption of illicit drugs remains low. In 2007, the head of Syria’s Counternarcotics Directorate claimed that there were no more than 150 drug users per one million citizens, or roughly 3000 nation-wide. Although there are no independent statistics available to verify the accuracy of this claim, anecdotal evidence suggests the SARG is significantly underestimating the prevalence of illicit drug use in Syria. Furthermore, the government’s estimate likely does not include prescription drug abusers, as mentioned above. Unless the government

enacts legislation to close the loophole allowing businessmen to “lease” pharmacists’ credentials, increases the penalties for trading prescription medication, and raises public awareness of this problem, it will likely grow.

IV. U.S. Policy Initiatives and Programs

Policy Initiatives. In discussions with Syrian officials, DEA officials continue to stress the need for diligence in preventing narcotics and precursor chemicals from transiting Syrian territory and the necessity of terminating any involvement, active or passive, of individual Syrian officials in the drug trade.

Bilateral Cooperation. DEA officials based in Nicosia, Cyprus maintain an ongoing dialogue with Syrian authorities in the Counternarcotics Directorate.

The Road Ahead. The United States will continue to encourage the Syrian government to maintain its commitment to combating drug transit and production in the region; to strengthen anti-money-laundering legislation; and to continue to encourage Syria to improve its counternarcotics cooperation with neighboring countries.

Togo

I. Summary

Togo is not a significant producer of drugs. Its role in the transport of drugs is primarily regional. During 2007 the drug trade (particularly in hard drugs) continued to increase. Lome remains a spoke in the Nigerian hub of narcotics trafficking and money laundering. Togo's ability to address the transnational flow of drugs is undercut by its fragile democratic transition, extreme poverty, a lack of resources and training and long, porous borders. Togo is a party to the 1988 UN Drug Convention.

II. Status of Country

Drug abuse by Togo's citizens is relatively rare, and there are few crimes resulting from drug abuse. There are three agencies responsible for drug law enforcement—the police, the gendarmerie, and customs. The only locally produced drug is cannabis, but in small quantities for individual consumption. Approximately two metric tons of cannabis is seized in Togo each year. Heroin and cocaine, while not produced in Togo, are also available. Heroin is smuggled from Afghanistan, while cocaine is transported from South America. Lome serves as a transit point for drugs on their way to Benin, Nigeria, Burkina Faso, northern Ghana, and Niger and ultimately to Europe. Togolese are not significant consumers. According to police, most smugglers are long-term Lebanese residents or Nigerians, but the gendarmerie is also targeting the Togolese players. Togolese small-time traffickers typically purchase small amounts of drugs and then resell them to expatriates living in Lome for local consumption. Togo's long and relatively porous borders permit narcotics traffickers easy access/egress. This has made Togo a transit point for narcotics such as cocaine and heroin. Many narcotics trafficking arrests in Togo have involved Nigerian nationals traveling from Asia to other West African destinations. The most common means of trafficking is through shipping, but the Lome airport also serves as a transit point. The prevalence of widespread official corruption facilitates drug trafficking.

III. Country Actions Against Drugs in 2007

Policy Initiatives. The Central Office Against Drugs and Money Laundering is responsible for investigating and arresting all persons involved in drug-related crimes. The office has approximately twenty gendarmes and ten police personnel to conduct investigations and enforcement operations. Security agencies report all drug-related matters to the Director of the Central Office. The Director of the Central Office, in turn, is directly responsible to the Minister of Security. The National Anti-Drug Committee, which consists of representatives from various offices, including security, defense, commerce and finance, meets periodically to coordinate. A data bank, created among Togo, Benin, and Ghana, and including the best ideas on narcotics control contributed by experts from each country to facilitate counternarcotics operations in the sub-region, has proved quite useful. While Ghana and Togo regularly contribute to the bank, Benin has yet to play an active role.

Law Enforcement Efforts. The number of drug-related arrests decreased in 2007. Only occasional spot checks are made of passengers at the airport. The Port of Lome's cargo screening ability should, in the future, aid the interdiction of drugs arriving by sea. Arrests have been mainly at the land border crossings and in Lome; the vast majority of trafficked drugs cross land borders. Arrests are sometimes made after a tip, but are most often made in the course of other routine law

enforcement activities, such as traffic security or customs checks. The greatest obstacles that the Government of Togo (GOT) faces in apprehending drug distributors are the government's lack of computer technology, lack of communication and coordination, and mutual distrust among the three agencies responsible for drug law enforcement. While all agencies are required to report narcotics related crimes to the Central Office, in practice there is no effective reporting, record keeping, or cross-agency communication process.

Corruption. The Anti-Corruption Commission made no drug-related arrests of government officials. Togo's former chief narcotics officer, who was held under house arrest for several months in 2006 under suspicion that he had diverted a quantity of captured drugs being held as evidence for resale, was released in September 2006 and is now the commander of a gendarme company in Dapaong, in Northern Togo. Reports continue to abound that unnamed officials in various GOT agencies can be bribed to allow illicit narcotics to transit to or through Togo. At least some of these reports are sourced to prominent expatriated former officials, who were well positioned to know when they still were in Togo. If these reports are true, they would help explain the growing transit of drugs through Togo.

Agreements and Treaties. Togo is a party to the 1988 UN Drug Convention, the 1971 UN Convention on Psychotropic Substances, and to the 1961 UN Single Convention, as amended by its 1972 Protocol. Togo is a party to the UN Corruption Convention and is also a party to the UN Convention against Transnational Organized Crime.

Cultivation/Production. The only drug cultivated in any significant quantity in Togo is cannabis, but even production of that is small. Cultivation is primarily for local demand, although some cross border distribution by small-scale dealers is suspected. Domestic use of cannabis is increasing.

Drug Flow/Transit. There are sizable expatriate Nigerian and Lebanese populations involved in Togo's drug trade, and they arrange for drug transshipments from many places in the world, through Africa, and onward to final markets. Many observers of drug trafficking in West Africa believe that hard drugs like cocaine and heroin are "warehoused" in the region before being sent to final consumption markets, mostly in Europe.

Domestic Programs (Demand Reduction). The National Anti-Drug Committee (CNAD) opened a youth counseling center that shows counternarcotics films and sponsors counternarcotics discussion groups. The programs have been well attended by NGOs, religious groups, and school groups composed of parents, teachers, and students. Programs designed for high school students focused heavily on prevention/non-use. The CNAD also sponsored programs for security forces that stressed the link between drug use and HIV/AIDS.

IV. U.S. Policy Initiatives and Programs

Policy Initiatives. The primary goal of the U.S. is to help the GOT combat the international trafficking of drugs. The U.S. seeks to help the government improve its ability to interdict illicit narcotics entering Togo and to prosecute traffickers.

The Road Ahead. U.S. cooperation with Togolese counternarcotics officials will continue. USG-funded narcotics assistance will be used for Togolese counternarcotics infrastructure improvements. With the assistance of the regional Drug Enforcement Agency representative based in Lagos, the U.S. Embassy will continue to look for ways to provide counternarcotics trafficking training to Togolese law enforcement personnel. Togo's emerging willingness to confront the issue of illicit drugs is hampered by the country's fragile democratic transition and the weak state of GOT finances.

United Arab Emirates

I. Summary

Although not a narcotics-producing country, the United Arab Emirates (UAE) is believed to be a transshipment point for traffickers moving illegal drugs from major drug production and transit countries, including Afghanistan, Pakistan, and Iran. Frequent reports of seizures of illegal drugs in the UAE over the past few years underscore this conclusion. Most seizures have been of hashish. There are several factors that render the UAE a transit point, including its proximity to major drug cultivation regions in Afghanistan, and a long (700 kilometer) coastline. High volumes of shipping render UAE ports vulnerable to exploitation by narcotics traffickers. There are numerous reports that drugs leave Iran and Pakistan by vessel and move to the UAE, among other destinations, in the Gulf. In September 2005, the U.S. DEA established a country office in the UAE to enhance cooperation with UAE law enforcement authorities. In 2007, the UAE was re-elected as the Asian regional representative to the Commission on Narcotic Drugs (CND). The UAE is a party to the 1988 UN Drug Convention.

II. Status of Country

A major regional financial center and hub for commercial shipping and trade, the UAE is a transshipment point for illegal narcotics from Afghanistan, to Europe, to Africa, and less significantly, to the United States, as well as a key location for narcotics money laundering by international drug traffickers—including possibly from South America. Western Europe is the principal market for transiting drugs, and Africa is becoming an increasingly prominent market. Factors that contribute to the role of the UAE as a transshipment point are the emergence of Dubai and Sharjah as regional centers in the transportation of passengers and cargo, a porous land border with Oman, an easily accessible commercial banking system, and the fact that a number of ports in the UAE have free trade zones where transshipped cargo is not usually subjected to the same inspection as goods that enter the country.

III. Country Actions Against Drugs in 2007

Policy Initiatives. The UAE continued to advance its national drug strategy focusing on intensifying security at the country's air and sea ports and patrols along the coastline, reducing demand for illegal drugs through educational campaigns, enforcing harsh penalties for trafficking, and rehabilitating drug addicts. On March 29, 2007, Dubai Police and the United Nations Office on Drug and Crime (UNODC) signed a \$1.2 million project, fully funded by the Dubai Police, to combat drug abuse and drug trafficking in the UAE and in the region. The project will last for two and a half years (starting from April 2007). The project agreement has four elements. Dubai Police will play a leading role in reversing increased drug trafficking and drug abuse among young people in the UAE and other states of the region. UNODC will help upgrade the Dubai Police Training Centre into a centre of excellence for the region-wide transfer of knowledge and the training of law enforcement staff to ensure they have the skills needed to cope with an increased influx of narcotic drugs. UNODC will assist Dubai and the UAE as a whole to develop a coordinated national action plan on drug demand reduction. UNODC will help develop and implement national drug abuse and HIV/AIDS prevention modules for schools and universities to address young people in a way that suits the culture of the Gulf region.

In September of 2005, the UN established a sub-office on Drugs and Crime in Dubai. The UAE government funded the estimated \$3 million cost of the office and contributed an additional \$50,000 to the UN counternarcotics program.

Law Enforcement Efforts. According to published remarks of the Director of Drugs Department of the Ministry of Interior, speaking at the Arab Symposium for Planning and Strategic Cooperation in Combating Drugs, the UAE arrested 3,869 people in drug cases from 2006 to August 2007. During that timeframe, the total amount of seized hashish was 1,286 kg, heroin 240 kg, opium 13 kg, and approximately three million “drug tablets.” Abu Dhabi Police reported 162 arrests in the first half of 2007. Most of the arrestees were Iranians, Pakistanis, Africans and some UAE nationals. By way of example, in August 2007, Dubai customs inspectors stopped 33 smuggling attempts of hashish, opium, marijuana and other narcotic drugs.

A 1995 law stipulates capital punishment as the penalty for drug trafficking. Sentences usually are commuted to long-term imprisonment. In March 2007, the Sharjah Islamic Sharia Court handed down a death sentence to an Iranian drug trafficker who smuggled 267kg of hashish into the UAE. In April 2007, Ajman Court sentenced a drug trafficker to life imprisonment. UAE authorities continue to take seriously their responsibility to interdict drug smuggling and distribution. UAE authorities continue to cooperate with other countries to stop trafficking. In June 2007, UAE Ambassador to Pakistan, Ali Al Shamsi announced to the Associated Press of Pakistan (APP) that the UAE already had a drug liaison office in Islamabad and was in process of establishing another one in Karachi.

Corruption. The Government of the UAE as a matter of policy does not encourage or facilitate illicit production or distribution of narcotic or psychotropic drugs or other controlled substances or the laundering of proceeds from drug transactions. Senior officials are not known to engage in or facilitate illicit production of these drugs or the laundering of proceeds from drug transactions. There is no evidence that corruption-including narcotics related corruption-of public officials is a systemic problem.

Agreements and Treaties. The UAE is party to the 1988 UN Drug Convention, the 1961 UN Single Convention as amended by the 1972 Protocol and the 1988 UN Convention on Psychotropic Substances. The UAE ratified the UN Convention against Transnational Organized Crime on May 7, 2007. The UAE is a party to the UN Convention against Corruption.

Cultivation/Production. There is no evidence of any major drug cultivation and/or production in the UAE. Published records show that there were two cases of “planting” drugs in the Emirate of Ras Al-Khaimah in 2004, with a total of three people arrested.

Drug Flow/Transit. High volumes of shipping and investment development opportunities render the UAE vulnerable to exploitation by narcotics traffickers and narcotics money laundering. The UAE, Dubai in particular, is a major regional transportation, financial, and shipping hub. Narcotics smuggling from South and Southwest Asia continues to Europe and Africa and, to a significantly lesser degree, the United States via the UAE. Hashish, heroin, and opium shipments originate in Afghanistan, Pakistan, and Iran and are smuggled in cargo containers, via small vessels and powerboats, and/or sent overland via Oman. According to published figures, Iranians, Pakistanis, Afghans and Africans made up the largest number of non-UAE nationals arrested in drug cases in 2007. Recognizing the need for increased monitoring at its commercial ports, airports, and borders, the UAE is making an effort to tighten inspections of cargo containers as well as passengers transiting the UAE. In December 2004, the Emirate of Dubai signed the Container Security Initiative (CSI) with the U.S. CSI inspectors arrived in Dubai in 2005, and are inspecting

containers destined for the U.S. Customs officials randomly search containers and follow-up leads on suspicious cargo.

Domestic Programs/Demand Reduction. In 2003, the UAE's Federal Supreme Court ruled that authorities needed proof that drug use occurred in the UAE before they could prosecute users. A positive blood test is considered evidence of consumption, but not evidence of where the consumption took place. A 2003 report noted that the majority of UAE drug users take their first doses abroad, primarily because of peer pressure. Statistics reveal that 75 percent of drug users in the UAE prefer hashish, 13 percent use heroin, while six percent use morphine. The report illustrates a clear relationship between drug abuse and level of education-75 percent of arrested drug users in 2002 were high school graduates, but only two percent were university graduates. While the data is a few years old, trends reported are still reflective of current societal patterns. The focus of the UAE's domestic program is to reduce demand through public awareness campaigns directed at young people.

The UAE has also established rehabilitation centers and several awareness programs. It has been issuing postage stamps to highlight the hazards of drugs as part of its awareness campaigns. Every year, the Ministry of Interior holds a high-profile "Drug Awareness Week" with exhibits prominently set up in all of the local shopping malls to coincide with International Anti- Narcotics Day on June 26 every year. The theme of the 2007 commemorations in Abu Dhabi was "Drugs, The Way To Peril, So Choose Your Way."

The UAE has trained volunteers to educate people about the risks of drug use. During 2007, Dubai police trained both Emirati volunteers in UAE and 30 volunteers from Kuwait.

UAE officials believe that adherence to Muslim religious morals and severe prison sentences imposed on individuals convicted of drug offenses effectively deter narcotics abuse. An affluent country, the UAE has established an extensive treatment and rehabilitation program for its citizens. There is a rehab center in Abu Dhabi, two in Dubai, and one each in Ajman and Sharjah for those identified as addicts. In accordance with federal law, UAE nationals who are addicted can present themselves to the police or a rehabilitation center and be exempted from criminal prosecution. Those nationals who do not turn themselves in to local authorities are referred to the legal system for prosecution. Third-country nationals or "guest workers" who make up approximately 80 percent of the population generally receive prison sentences upon conviction of narcotics offenses and are deported upon completing their sentences. Most UAE nationals arrested on drug charges are placed in one of the UAE's drug treatment programs. They undergo a two-year drug rehabilitation program, which includes family counseling/therapy.

IV. U.S. Policy Initiatives and Programs

Bilateral Cooperation. The DEA Administrator visited the UAE in July 2005 to enhance counternarcotics cooperation with the UAE. During her visit, she proposed, and the UAE accepted, establishing a DEA presence in the UAE to work closely with UAE authorities. The first DEA office was established in September 2005 in Dubai. DEA officials work with UAE authorities to combat both drug smuggling and drug related money laundering.

The Road Ahead. The U.S. and the UAE will continue to work together to discourage narcotics trafficking and to protect citizens from the scourge of drug abuse.

